

Anti-Bribery & Corruption Manual

Document Reference: GABC:02

Issue: 4.0

Group Level Policy

Owner: Mia Welfare

Date: November 2024

ULTRA.

Issue	Summary description of change
1.0	Initial Release.
2.0	<p>Update to Part 1 - new section 8 (Offset).</p> <p>Update to Part 3, Section 1 (new requirement to conduct DD on JV / teaming partners' intermediaries).</p>
3.0	<p>Clarification of the term extortion versus facilitation payment - Part 1, Section 6.</p> <p>Redrafting of Part 1, Section 9 and removal of the term 'victim' of bribery.</p> <p>Creation of new Part 1, Section 10 – Non-Retaliation.</p> <p>Addition of the need for an assessment of “Fair Market Value” for intermediary remuneration in Part 2, Section 5.</p> <p>Clarification re. the payment of “Success Fees” to intermediaries in Part 2, Section 5.</p> <p>Addition of references to Chief Compliance Officer and Compliance Champions throughout.</p>
4.0	<p>Remove reference to the Group Operating Manual.</p> <p>Removal of the reference to Agents submitting travel expenses (for customer attendance at facilities or conferences) to Ultra for reimbursement.</p> <p>Remove reference to Group internal audit function.</p> <p>Addition of local intranet, and removal of reference to Group SharePoint.</p> <p>Maximum period of intermediary contracts reduced to two years.</p> <p>Addition of specific reference to milestone payment structures for intermediaries.</p>

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PART 1: BACKGROUND AND APPLICATION

1. Introduction

Ultra has a zero-tolerance approach to bribery and corruption.

Our Code of Conduct sets out our core principles and our commitment to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate.

This Ultra Anti-Bribery and Corruption Manual (the “ABC Manual”) builds upon these principles, setting out our responsibilities in observing and upholding our zero-tolerance approach to bribery and corruption, and providing information and guidance on how to recognise and deal with any bribery or corruption issues that may arise in the course of doing business.

2. Legal Framework

We must comply with all anti-bribery and corruption (ABC) laws and regulations wherever in the world we operate, including the requirements of the UK Bribery Act, the US Foreign and Corrupt Practices Act, the Canadian Corruption of Foreign Public Officials Act, and the Australian Criminal Code.

Engaging in bribery or corruption can have severe consequences for you and for Ultra. You may face dismissal, fines and imprisonment, and Ultra may face an unlimited fine, disbarment from tendering for contracts, and damage to our reputation.

If there is a conflict between the ABC Manual and applicable local law, the local law will prevail. If the local law imposes a higher standard, that higher standard must be followed. If there is no conflict, but the ABC Manual imposes a higher standard, the higher standard of the ABC Manual must be followed.

3. Application

The ABC Manual applies to everyone who works for Ultra. Ultra expects that any of our people who use consultants, agents, representatives and other third parties will ensure that they also comply with the relevant sections of the ABC Manual when performing work or services for or on behalf of Ultra (collectively ‘workers’).

Any breaches of the ABC Manual are not acceptable, and may lead to disciplinary action, including dismissal.

You must read, understand and comply with the ABC Manual. If you have any queries about the scope or application of the ABC Manual, or for any help and support, please contact your local Compliance Champion, or Ultra Group Compliance Officer Mia Wellfare at Mia.welfare@ultra-electronics.com.

If ever in doubt, please ask.

4. Ultra's Requirements

We all must:

- conduct our business activities in an honest, transparent and ethical manner, in line with our zero-tolerance approach to bribery and corruption;
- not give, offer, request, accept, or authorise anything that is, or could be considered, a bribe (see below);
- not offer, make or authorise any facilitation payments or other financial advantages, no matter how small the payments are (see below);
- complete any required ABC training in a timely manner; and
- report all requests for bribes or facilitation payments, or any possible non-compliance with the ABC Manual, to Ultra BU or Group Legal teams.

5. Bribes

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. It includes not only cash but other forms of inducement, including gifts, entertainment or hospitality. It may even include things such as donations to a charity of someone's choice or the offer of a job or internship to an employee's family member.

Please refer to our Code of Conduct for some practical examples of potential scenarios and how you should act. If you are ever in doubt about whether or not any action may amount to bribery, please contact your local Compliance Champion, or our Group Compliance Officer Mia Wellfare at Mia.welfare@ultra-electronics.com.

6. Facilitation Payments and "Kickbacks"

Facilitation payments are typically small, unofficial payments made to Government officials to secure or speed up a routine government action. If you are asked to make a

payment on our behalf, you should always question what the payment is for, and refuse to make such a payment. If you have any suspicions, concerns or queries regarding the payment, you should raise these with the Ultra Group Legal Team.

“**Kickbacks**” are typically payments made in return for a business favour or advantage. You must avoid any activity that might lead to, or suggest, that a “kickback” will be made or accepted by us.

Facilitation payments and “kickbacks” are forms of bribery. Ultra will not make, and will not accept, facilitation payments or “kickbacks” of any kind, even if they may be permitted under local law.

The only exception to this rule is if your health, safety, freedom or property (or that of others) may be at risk if you do not make a payment or grant an advantage which is being demanded. Making payments in such circumstances is being subjected to extortion, and not a facilitation payment.

If you make a payment or grant an advantage in such circumstances, and report it promptly, Ultra will support your actions and not take disciplinary action against you. The health, safety, liberty and property of our people will always be our priority.

7. Donations

Any donations made by or on behalf of Ultra must be in line with the limits and delegated authority levels outlined in the Group Delegation of Authority. Donations must not be made on behalf of Ultra with the intention of influencing or rewarding the improper performance of an individual in order to gain a business advantage. We only make donations that are legal and ethical under local laws and practices.

8. Offset

Any offset commitments or transactions entered into by or on behalf of Ultra must be approved in advance in accordance with the limits outlined in the Group Delegation of Authority.

Offset must not be offered with the intention of influencing or rewarding the improper performance of others in order to gain a business advantage. All offset transactions must be implemented in a consistent, efficient and cost effective manner in full compliance with:

- all laws and regulations; and
- our zero-tolerance approach to bribery and corruption as set out in this ABC Manual.

9. What should you do if you are asked to participate in bribery or corruption

You must inform the Ultra Group Legal team as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are being asked to participate in another form of unlawful ABC activity.

Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under the Code of Conduct or the ABC Manual, even if they turn out to be mistaken. You can report any issue anonymously through our confidential online platform, Speak Up at [EthicsPoint - Ultra](#).

10. Non retaliation

Ultra is committed to ensuring that no Worker suffers detrimental treatment because they refuse to take part in bribery or corruption. Equally anyone who seeks advice or raises a suspicion of such in good faith will be protected from retaliation.

If you believe that you have suffered any such retaliatory treatment, you should inform the Ultra Group Legal team or report the issue anonymously through our confidential online platform, Speak Up at [EthicsPoint - Ultra](#).

PART 2: GIFTS AND HOSPITALITY POLICY

1. Background and Purpose

This Gifts and Hospitality Policy sets out our rules and gives advice on the giving and receiving of Gifts and Hospitality ('G&H'), in order to ensure that we operate both lawfully and ethically, and protect our reputation. It should be read in conjunction with the Gifts and Hospitality Procedure, which details how and when G&H (whether given or received) must be approved and recorded in line with certain prescribed values.

2. Meaning of "Gifts and Hospitality" (G&H)

G&H comes in a variety of forms. It may, for example, include physical gifts (such as wine or food hampers), dinner in a restaurant, tickets to the theatre or a sporting event / other entertainment, travel and accommodation, or the use of company time, equipment or facilities for purposes not relating to Ultra's business.

For the purposes of this Policy, G&H does not include:

- food and non-alcoholic beverages provided as part of an office meeting as a normal business courtesy (which is permitted, unless prohibited by the recipient's policies, or under any laws, rules or regulations that apply to the recipient (see below)); and
- attendance (and consumption of food or drink) by our employees at briefings, seminars or conferences sponsored by professional organisations, which are open to a wide audience.

3. Key Principles

Reasonable and proportionate G&H is often an appropriate and important part of business practice, building a positive working relationship, and conveying respect and appreciation for our business partners. However:

- G&H may also be used as a bribe, contrary to Ultra G&H Policy and applicable laws. Improper or lavish G&H may, or may appear to, improperly influence a business decision, and so result in accusations of unfair business practices, or even bribery or corruption, against you personally and also Ultra.

- The laws of the place where you are doing business, and our customers' policies, may not allow any G&H. For example, in some places, even though our policies may allow them, even low-value gifts or hospitality are not allowed, and some of our customers (including US Government customers) have special rules and policies that restrict or do not allow their staff to receive G&H.

It is your responsibility to ensure you know and follow our policies, the laws of the place you are doing business, and our customers' policies.

You must:

- Only give or receive any G&H that has a **legitimate business purpose**, and never in exchange for obtaining an inappropriate advantage or benefit. Legitimate business purposes may be where you are seeking to better present Ultra products and services or establish and develop cordial relations. You should never solicit G&H in exchange for business or placing orders for goods or services.
- Always act in compliance with any **applicable laws, rules and regulations** (including guidance issued by defence authorities and other Governmental bodies).
- Ensure any G&H offered, given, or received is **reasonable and proportionate** and at all times within the limits set out in the Gifts & Hospitality Procedure. For example, it may be appropriate to give a modest gift to business partners for marketing purposes (e.g. promotional material such as pens, mugs or calendars), or if making a goodwill gesture (e.g. a bunch of flowers as a congratulations).
- Ensure any G&H offered, given, or received is never **inappropriate or offensive**, or likely to bring the business to disrepute. Always consider the context in which you are offering G&H. For example, the spending power of any given value in the UK, North America and Australia is quite different in some other countries.
- Always be mindful of the **perception** of offering, giving, or accepting G&H: your actions must be able to withstand both internal and external scrutiny, and must be defensible.
- Record the G&H, where required under Part 2, Section 4 of this Policy.
- If considering paying for travel costs and other expenses related to a customer or prospective customer visit or attendance at a conference, observe the additional requirements set out in Part 2, Section 5 of this Policy.
- When providing G&H, adhere to the requirements of your local BU expenses policy. In particular, you should obtain receipts for expenses, if required by your local policy.

You must not:

- Offer, give or receive any cash gifts (or cash equivalents such as vouchers, gift cards or credit notes, etc.).
- Offer, give or receive repeated or regular G&H to or from the same person, regardless of value.
- Create an expectation that you or Ultra will give something in return, or compromise your independence (or appear to compromise your independence) as a consequence of receiving the G&H. For example, you should not accept G&H from a supplier when they are bidding for a contract (and you have some influence over the contract decision), or pay for a prospective customer's travel to and attendance at a conference as a benefit tied to the decision to award Ultra a contract.
- Offer any G&H where you know it is prohibited by the recipient's organisation's policies.
- Attempt to structure an arrangement to avoid the requirements of this Policy.
- Agents must not provide G&H to anyone for or on behalf of Ultra.

4. How are G&H approvals managed and recorded?

The values / levels of approval to be applied for G&H are set out in the Gifts and Hospitality Procedure. You must obtain approval and record the G&H received in accordance with that procedure.

5. Customer visits and Conferences

Where an Ultra business is considering paying for travel costs and other related expenses for a necessary customer visit to an Ultra site, or an invite from a customer to a conference (including for any public officials (see below), along with observing the G&H rules and guidance set out in this Policy, the business must also observe the following requirements: Before offering to pay any such expenses, the prior written approval of the BU MD / President must be obtained. Before offering to pay any such expenses, you must obtain the prior written approval, as set out in the Gifts and Hospitality Procedure.

- Invitees should not be those who are responsible for the decision to award any contract to Ultra.
- All expenses should be paid by Ultra to the relevant vendors (e.g. hotels, conference organisers, etc.). Payments should never be made directly to the customer, or to any intermediary acting for or on behalf of Ultra (see the Selection and Management of Intermediaries Policy).

- An intermediary **must not** pay any expenses for customer visits or conferences. Payments by intermediaries may be considered as an indirect form of bribery, for which Ultra may be held liable.
- Only pre-approved expenses should be paid for by Ultra; these should not include personal expenditure (for example, newspapers, minibar, personal travel, shopping, or sightseeing).
- The travel, accommodation or similar expenses of the customer's family members or friends must never be paid for by Ultra.
- A clear and transparent record of all expenses paid must be contained in the business' accounting records, subject to review and audit as part of the Group's legal, compliance and audit processes.

6. Public Officials

A public official is anyone in a position of official authority that is conferred by a state, i.e. someone who holds a public legislative, administrative, or judicial position of any kind, whether appointed or elected.

It is not always obvious if someone is a public official, but common examples include:

- individuals employed by (or acting on behalf of) any Government department or agency, including the police and other security agencies;
- individuals employed by state-owned, state-controlled or state-financed companies;
- political parties, party officials, and candidates for any level of political office; and
- international public organisations, e.g. the World Bank, United Nations, Red Cross.

Anti-bribery and corruption laws generally treat public officials as "high-risk" individuals for companies, like Ultra, seeking to obtain and retain Government business. Therefore, when considering offering any G&H to any public official, we must take particular care not to breach any laws, rules or regulations with which the public official is obliged to comply.

For that reason, before offering any G&H (including travel) to, or accepting any G&H from, any public official, you must seek and obtain written approval in line with the requirements of the Gifts and Hospitality Procedure.

7. Further Advice and Guidance

If you are offered any G&H which is contrary to this Policy or which makes you concerned or uncomfortable, then you should not accept it. Instead, if appropriate, ask your line manager for guidance, or refer the matter to your local Legal team. It may be that the G&H will need to be returned, or if that is not possible or appropriate, raffled, and the proceeds given to charity.

If you are worried you have spotted something unethical concerning this Policy, or something that otherwise makes you feel uneasy, please report the matter to your local Compliance Champion, or Ultra's Group Compliance Officer Mia Welfare at Mia.welfare@ultra-electronics.com.

PART 3: SELECTION AND MANAGEMENT OF INTERMEDIARIES POLICY

1. Background and Purpose

Our relationships with third parties who work on our behalf – which include intermediaries, contractors, vendors, suppliers, subcontractors, teaming partners, joint venture partners or other third parties – create varying degrees of ABC risk to Ultra. Intermediaries, i.e. those third parties who act for or on behalf of Ultra or our teaming partners or joint venture partners to: (a) find, introduce, obtain or maintain business or other commercial advantage; or (b) obtain Government approval or action (wherever in the world), pose a higher ABC risk to Ultra. These intermediaries commonly include agents, but may also include distributors, resellers, any third party fulfilling offset commitments on Ultra’s behalf, and other representatives. The label given is less important than the substance of the work being performed by the third party, and you should take an inclusive approach if there is any doubt as to whether or not a third party should be classified as an intermediary.

This Selection and Management of Intermediaries Policy sets out the key principles in interacting with intermediaries used by Ultra’s businesses, whether in the business’ home territory or abroad. It should be read in conjunction with the Selection and Management of Intermediaries Procedure (found on the local Intranet or by contacting the Ultra Group Legal team), which details the processes that must be followed throughout an intermediary lifecycle, from selection, appointment, and ongoing monitoring, to termination.

This Policy only applies to intermediaries. You must, however, be aware of the risk other third parties present to Ultra and ensure appropriate measures are taken to mitigate these risks (including appropriate due diligence, screening and the use of approved anti-bribery and corruption / anti-money laundering terms and conditions, where appropriate).

2. Initial Assessment and Selection Considerations

- Given the higher ABC risk posed by the use of intermediaries, every effort should be made to consider alternative ways of doing business that do not require the use of intermediaries. The Ultra business must be satisfied, after having exhausted any other reasonable alternatives, that a legitimate business need cannot be fulfilled by Ultra’s own resources (including its existing approved

intermediaries) or through other means before seeking to appoint an intermediary.

- Any intermediary we appoint must be reputable, and their business practices must comply with the ethics standards required by us. In particular, businesses should only appoint intermediaries based on their market effectiveness and expertise, and not any inappropriate relationships or influence. Be wary of any instruction on the part of a customer or prospective customer to use a particular intermediary and [always take advice from the legal department before you appoint any intermediary in these circumstances.]
- In representing Ultra in respect of a particular opportunity, the intermediary must not also represent any third party that may have a conflict of interests with Ultra in respect of that opportunity.

3. Intermediary Risk Assessment

- Relevant ABC laws not only require Ultra and its people to refrain from engaging in bribery or corruption, but also to have the right processes and systems to ensure those who act in Ultra's name do not engage in bribery or corruption. Accordingly, if an Ultra business determines that the use of a new intermediary is required for a legitimate business purpose, it must follow the comprehensive due diligence and risk assessment processes set out in the Selection and Management of Intermediaries Procedure. Under the Procedure, any Ultra business seeking to appoint a new intermediary will be required to use Ultra's online diligence platform, RiskRate, which facilitates the effective risk-based assessment, approval and monitoring of intermediaries (and creates a comprehensive, auditable, online record).
- Ultra's management of intermediaries' ABC risk is based on the principle of "three lines of defence", with each "line of defence" taking responsibility for, and ownership of, its own review and approval of intermediaries. This process is designed to ensure that the nature and extent of intermediary ABC risks are understood and properly mitigated, appropriate controls are put in place, and post-appointment monitoring and audit actions are properly managed.

4. Intermediary Appointment

- The standard Ultra Intermediary Agreement, which must be used for all intermediary engagements, must contain a clear description of the intermediary, the scope of work to be performed, any commission/mark-up and the country (or countries) of coverage. The wording of the Anti-Bribery and Corruption clause in the standard Ultra Intermediary Agreement is mandatory and must not be amended in any way.
- The **term of the appointment must be appropriate** to the scope of work being contemplated, but in any case, **must not exceed a period of two years**. The agreement **must not allow for automatic renewals**. The definition of the territory shall be limited geographically and the scope limited to a specific customer and/or to a specific opportunity and/or range of products.
- Under no circumstances must an Intermediary be assigned an Ultra email address or given access to Ultra hosted content.

5. Intermediary Payments and Mark-Ups

- **Any commission payments/mark-up arrangements should be commensurate with demonstrable and legitimate work performed and/or risks assumed by the relevant Intermediary in pursuit or execution of the opportunity.** Businesses must clearly articulate what the intermediary is doing for the money, in line with the documentation requirements set out in the Selection and Management of Intermediaries Procedure. The remuneration mechanism should be calculated at the start of the interaction with the intermediary and an assessment of Fair Market Value in the relevant jurisdiction undertaken.
- Large value opportunities, with correspondingly large commission-based payments or mark-ups present a greater opportunity for funds paid to, or mark-ups applied by, the Intermediary to be used for bribes or other corrupt practices. **Businesses must provide oversight and controls that are proportionate to**

the assessment of the risk to ensure that no payment received by an Intermediary is used for any improper purpose.

- Percentage-based Commission payments or mark-ups linked to the value of a contract (especially those made in a lump sum only following contract award) pose a greater ABC risk, as they are seen to potentially incentivise the wrong behaviours by intermediaries. For this reason, whilst such remuneration structures may be acceptable if the payments/mark-ups are commensurate to the work being done and risks being borne by the intermediary, such remuneration structures should be avoided wherever possible. A 'milestone payment structure' should be considered as a suitable method of remuneration in every case. The agreement to such a "Success Fee" without the completion of an Intermediary Reimbursement Analysis Form ("IRAF") is strictly prohibited.

6. Post-Engagement – Ongoing Monitoring and Audit

- Businesses should consider intermediary risk as part of their overall risk management activities. As such, in line with the requirements of the Selection and Management of Intermediaries Procedure, businesses will be required to conduct periodic post-engagement appraisal and monitoring of intermediaries (including in respect of payments made to intermediaries), and systemised, targeted audits of specific intermediaries will be carried out. Such ongoing monitoring and audit measures are designed to ensure intermediaries continue to comply with the requirements of the ABC Manual throughout the duration of their appointment.
- Detailed, auditable records of due diligence, communications and monitoring activities (including audits) with intermediaries must be maintained and stored within the RiskRate system.

7. Further Advice and Guidance

If you are interacting with an intermediary, it is **your** responsibility to look for any indicators or warning signs of potential breaches of the ABC Manual by the intermediary, and, if any are found, to report them to your local Compliance Champion, or Ultra's Group Compliance Officer as soon as possible. The existence of such warning signs does not automatically mean that we must not engage, or

must stop dealing with, the intermediary: but any such warning signs must be investigated without delay.

More generally, if you have any concerns or queries about this Policy, or any procedure in relation to an intermediary, please contact your local Compliance Champion, or Ultra's Group Compliance Officer Mia Welfare at Mia.welfare@ultra-electronics.com.