

**KAJIMA UK**  
**ANTI-BRIBERY AND CORRUPTION POLICY**  
**JUNE 2012**

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## 1 INTRODUCTION AND POLICY STATEMENT

### Who is covered by this Policy?

- 1.1 This Policy applies to Kajima's UK business ("Kajima"), which includes the following active companies:
- (a) Kajima Europe Limited ("KEL");
  - (b) Kajima Properties (Europe) Limited ("KPEL"), which owns Kajima's private property portfolio in the UK, and its subsidiary companies;
  - (c) Kajima Partnerships Limited ("KPL"), which owns Kajima's PFI property portfolio in the UK and employs the majority of Kajima's UK staff, and its subsidiary companies; and
- 1.2 This Policy applies to all individuals working at Kajima at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with Kajima (that is, performing a service for or on behalf of Kajima), or any of its subsidiaries or their employees, wherever located and regardless of the particular terms and conditions of their contract of employment (collectively referred to as "**employees**" in this Policy).
- 1.3 Kajima expects its commercial partners (including, but not limited to, contractors and suppliers) to have a suitable policy in place to counter bribery and corruption as well as suitable procedures to effect and implement such a policy.

### Policy Statement

- 1.4 It is Kajima's policy to conduct its business in an honest and ethical manner.
- 1.5 Kajima takes a zero-tolerance approach to bribery and corruption. It is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships.
- 1.6 Payment of bribes by or on behalf of Kajima is prohibited and will not be tolerated, regardless of whether they are expected or commonplace in any country in which Kajima operates. Kajima recognises that, in addition to criminal liability, any involvement in bribery will also reflect adversely on its image and reputation.
- 1.7 Kajima is committed to:
- (a) upholding and complying with all anti-bribery and anti-corruption laws in all countries and jurisdictions in which it operates;
  - (b) implementing robust and appropriate procedures to prevent corruption and bribery by anyone acting for or on behalf of Kajima;
  - (c) training all employees so that they can recognise and avoid bribery and corruption, encouraging them to be vigilant and report any suspicions of bribery, providing them with suitable channels of communication and ensuring that sensitive information is treated appropriately;
  - (d) rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resulting prosecution; and
  - (e) taking firm and vigorous action against any individual involved in bribery or corruption.

Why is this policy necessary?

- 1.8 Bribery and corruption are criminal offences, punishable by imprisonment and/or an unlimited fine. Bribery and corruption can also cause serious damage to Kajima's reputation.
- 1.9 The law in the UK has recently changed with the introduction of the Bribery Act 2010 (the "Act"). The Act applies to Kajima's business around the world. Bribery and corruption are also illegal in most countries in which Kajima operates.
- 1.10 Bribery and corruption are punishable for individuals by imprisonment. If Kajima is found to have taken part in bribery or corruption, it could face an unlimited fine and face damage to its reputation. Kajima therefore takes its legal responsibilities very seriously.
- 1.11 The purpose of this Policy is to:
- (a) set out the responsibilities of Kajima, and of those working for it, in observing and upholding Kajima's commitment to combating bribery and corruption;
  - (b) provide information and guidance to those working for Kajima on how to recognise and deal with bribery and corruption issues, including:
    - (i) what bribery and corruption mean (including facilitation payments and kickbacks);
    - (ii) what kind of conduct is not acceptable;
    - (iii) setting out Kajima's policies on giving and receiving gifts and corporate hospitality, making political contributions and giving charitable donations; and
    - (iv) explaining how to comply with this policy and what to do if you suspect bribery or corruption is taking or has taken place.
- 1.12 In this Policy, "**third party**" means any individual or organisation with whom any of Kajima's employees come into contact during the course of their work, and includes contractors, suppliers, business contacts, businesses procuring products or services for Kajima, businesses providing products or services to Kajima, recruitment consultants, PR and marketing agencies, brokers, professional advisers and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

What happens if you don't comply with this Policy?

- 1.13 Those who do not comply with Kajima's Anti-Bribery and Corruption Policy and procedures may be subject to criminal prosecution (which can result in a fine and/or imprisonment) as well as disciplinary action and serious employment consequences, including dismissal.
- 1.14 It is therefore essential that you read and understand this Policy.

Who should you contact if you have any questions or concerns?

- 1.15 For further guidance, or if you have any questions or concerns, please contact Nigel Chism (the "Compliance Officer").
- 1.16 This Policy should be read in conjunction with the following additional Policy Statements, which are annexed to this policy and can also be found on Kajima's intranet in the HR section:
- (a) Whistleblowing Policy;
  - (b) Anti-Fraud and Corruption Policy; and
  - (c) Anti-Money Laundering Policy.

## 2 TYPES OF BRIBERY AND CORRUPTION

### What is a bribe?

- 2.1 A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.
- 2.2 Asking for or receiving a bribe is also a criminal offence. Using a third party to pay or receive a bribe is also a criminal offence.

### How to identify a bribe

- 2.3 A bribe does not have to be a cash payment and can be a non-cash advantage of any kind.
- 2.4 A bribe can be an incentive or reward to do something.
- 2.5 It is not necessary to actually give the bribe, even offering or promising a bribe is a criminal offence.
- 2.6 The person giving the bribe must generally intend to gain a commercial or personal advantage, but in some cases it is not necessary for there to be such an intention.
- 2.7 There is no minimum amount for a bribe (a small payment or favour can amount to a bribe).

### What are Facilitation Payments and Kickbacks?

- 2.8 "Facilitation payments" are typically small, unofficial payments made to secure or speed up a routine government action by a government official. For example, payments to process a visa, licence or permit.
- 2.9 Such payments are common in some countries.
- 2.10 "Kickbacks" are typically payments made in return for a business favour or advantage.
- 2.11 Kajima does NOT make facilitation payments or kickbacks of any kind.
- 2.12 All employees of Kajima must avoid any activity that might lead to or suggest that a facilitation payment or kickback will be made or accepted by Kajima.
- 2.13 If you are asked to make a facilitation payment, you MUST report this immediately to the Compliance Officer.
- 2.14 If you are asked to make any payment on behalf of Kajima, you MUST question what the payment is for and whether the amount requested corresponds to the value of the goods or services provided.
- 2.15 You MUST always ask for a receipt which explains the reason for the payment.
- 2.16 Where life or health is threatened, the priority for Kajima is the wellbeing of the person concerned. In such circumstances, an employee may exercise their discretion to make a facilitation payment or kickback if, in their reasonable view, the consequences of not doing so will endanger their life or health or that of anyone else. This must however be reported to the Compliance Officer as soon as reasonably practicable.
- 2.17 If you have any suspicions, concerns or queries regarding a payment, you MUST raise this with the Compliance Officer as soon as possible.

### 3 PROHIBITED CONDUCT

#### What must you NOT do?

3.1 It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift, hospitality or other advantage with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give, promise to give, or offer, a payment, gift, hospitality or other advantage to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- (c) request or accept a payment, gift, hospitality or other advantage from a third party that you know or suspect is offered or provided with the expectation that a business advantage will be provided by us in return, or as a reward for a business advantage already given;
- (d) threaten or retaliate against another employee who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (e) engage in any activity that might lead to a breach of this Policy.

#### **Examples:**

##### **Offering a bribe**

You offer a potential client tickets to a major sporting event, on the understanding that they will agree to engage Kajima to provide property development services.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. Kajima may also be found to have committed an offence because the offer has been made to obtain business for Kajima. It may also be an offence for the potential client to accept your offer.

##### **Receiving a bribe**

A supplier gives your nephew a job, but makes it clear or implies that in return they expect you to use your influence to ensure Kajima continues to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

##### **Bribing a foreign official**

You arrange for Kajima to make an additional payment to a foreign official to speed up an administrative process, such as the obtaining of a licence.

The offence of bribing a Foreign Public Official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for Kajima. As well as the relevant individual being liable, Kajima may also be found to have committed an offence.

#### Dealings with Third Parties

3.2 When dealing with third parties the following are situations to watch out for (or "red flags"). If you are in any doubt of a situation when dealing with a third party, ask the Compliance Officer as soon as possible.

3.3 In general you must NOT deal with a third party who:

- (a) has been accused of engaging in improper business behaviour or has a reputation for having a "special relationship" with foreign government officials;

- (b) insists on receiving a commission or fee payment for signing a contract with Kajima;
- (c) requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for payment made;
- (d) requests that payment is made to a country or geographic location different from where the third party resides or conducts business without reasonable cause;
- (e) requests an unexpected additional fee or commission to "facilitate" a service;
- (f) demands expensive entertainment or gifts before starting or continuing contractual discussions or provision of services;
- (g) requests that a payment is made to avoid potential legal problems or violations;
- (h) requests that Kajima provide employment or some other advantage to a friend or relative before starting or continuing a business relationship;
- (i) you notice has invoiced Kajima for a commission or fee payment that appears large given the service stated to have been provided;
- (j) provides or issues invoices that appear to be non-standard or customised;
- (k) insists on the use of side letters instead of proper contracts/agreements or refuses to put terms agreed in writing; and/or
- (l) offers or provides an unusually generous gift or expensive hospitality.

3.4 If you encounter any of the following actions by anyone working at or with Kajima or a third party, you should seek further guidance from the Compliance Officer as soon as possible:

- (a) making unexpected or illogical decisions in accepting projects or contracts;
- (b) pressure exerted for payments to be made urgently or ahead of schedule;
- (c) missing documents or records regarding meetings or decisions;
- (d) not following normal decision making process;
- (e) invoices being in excess of contract without reasonable cause;
- (f) the payment of, or making funds available for, high value expenses without any reasonable explanation;
- (g) Kajima's normal procedures or guidelines (including those set out in this Policy) not being followed;
- (h) expensive gifts being given or received;
- (i) agreeing contracts not favourable to Kajima either through the terms of the contract or time period of the contract;
- (j) unexplained preference for certain vendors during tendering period; and/or
- (k) irregularities in the tendering or contracting procedure, such as bypassing normal procedure and/or seeking to avoid specific roles or individuals who are key to the decision making process.

#### **4 DEALING WITH FOREIGN PUBLIC OFFICIALS**

4.1 A Foreign Public Official is any individual:

- (a) who holds a legislative, administrative or judicial position of any kind;
- (b) whether appointed or elected; and
- (c) who exercises a public function for or on behalf of any country, territory, or for any public agency or public enterprise of such country or territory, or is an official or agent of a public international organisation.

4.2 For example:

- (a) Staff working at the Japanese Embassy or any other foreign embassy are likely to be classified as Foreign Public Officials because they are employed by a foreign government.
- (b) In China many journalists could be classified as Foreign Public Officials because they are employed by State controlled media.
- (c) Representatives of Sovereign Wealth Funds would also be Foreign Public Officials.
- (d) State employees – eg: customs officials, tax officials or local authority staff in a foreign country would also fall within the definition of Foreign Public Official.

4.3 It is a criminal offence to bribe a Foreign Public Official with the intention of influencing them in order to obtain or retain business.

4.4 You MUST:

- (a) take extra caution when dealing with Foreign Public Officials; and
- (b) carefully consider who is a Foreign Public Official, especially in countries where many people are employed by the State or by State controlled entities.

## 5 GIFTS AND CORPORATE HOSPITALITY

- 5.1 This section should be read in conjunction with Kajima's detailed Guidance on Corporate Hospitality and Gifts set out at Schedule 1.
- 5.2 This Policy does not prohibit normal and appropriate hospitality given to, or received from, third parties in the ordinary course of Kajima's business.
- 5.3 The giving or receiving of reasonable and proportionate expenditure on hospitality, promotional, or other business expenditure which seeks to improve the image of Kajima or better present its products and services or establish cordial relations with those with whom it does actual or potential business is permitted, provided that:
- (a) its purpose is not improperly to influence a third party to obtain or retain business or a business advantage, or improperly to reward the provision or retention of business or a business advantage, or the explicit or implicit exchange of favours or benefits;
  - (b) it falls within the set limits on the value and the type of hospitality provided at Schedule 1;
  - (c) it complies with the procedure for signing off expenditure over the limits and relevant guidance, as set out in Schedule 1;
  - (d) it complies with local law;
  - (e) it is given in the name of Kajima and not an employee's name;
  - (f) it does not include cash or a cash equivalent;
  - (g) it is appropriate in the circumstances (for example, at a time of religious or national holidays, such as Christmas, when it is customary to give gifts);
  - (h) it is given openly and not in secret;
  - (i) it is not a gift to or from a Foreign Public Official – see section 4 above; and
  - (j) the timing of the gift or hospitality has been taken into account – for example, it is not offered whilst, or shortly before, a Foreign Public Official makes a relevant decision.
- 5.4 Kajima 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 test to be applied is whether in all the circumstances the gift or hospitality is given in good faith, and is reasonable and justifiable. The intention behind the gift or hospitality as well as the timing and extent of it should always be considered.
- 5.5 The above factors are listed by way of example only and are not an exhaustive list of what might or should be taken account of in any particular expenditure or gift. Common sense and good judgement should be exercised in each case.

**6 POLITICAL AND CHARITABLE DONATIONS**

- 6.1 Kajima does not make contributions to political parties and it is prohibited for any employee to do so in the name of Kajima.
- 6.2 Kajima only makes charitable donations that are legal and ethical under local laws and practices.
- 6.3 No charitable donation may be offered or made without the prior approval of the Compliance Officer. The intention behind, timing, regularity, amount and other circumstances of any donation will be considered in deciding whether to grant such approval.
- 6.4 You must ensure at all times that charitable contributions and sponsorships are not being used as a subterfuge for bribery.
- 6.5 Charitable contributions are payments made for the benefit of charitable, educational, social welfare and similar causes – the payments are made without demand or expectation of business return.
- 6.6 Sponsorship is a transaction where Kajima makes a payment, in cash or in kind, to associate our name with an activity or other organisation and receive in consideration for the sponsorship fee, rights and benefits such as the use of the sponsored organisation's name, advertising credits in media, events and publications, use of facilities and opportunities to promote Kajima's name, products and services. It is a business transaction and part of promotion and advertising.
- 6.7 All charitable contributions or sponsorships should be disclosed to Nigel Chism. Kajima will maintain a record of any charitable contributions and sponsorship and will ensure regular audits are carried out by management to ensure payments fall within this Policy.

**7 RECORD KEEPING**

- 7.1 Kajima will keep accurate and up to date financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 7.2 All directors, officers and employees must declare and keep a written record of all hospitality or gifts accepted or offered, and all charitable donations made, which will be subject to managerial review and review by the Compliance Officer.
- 7.3 All employees must ensure that all expenses claims relating to hospitality, gifts or expenses incurred to third parties, and all charitable donations made, are submitted in accordance with Kajima's Expenses Policy set out on the intranet in the HR section and specifically record the reason for the expenditure.
- 7.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as agents, advisers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

**8 TRAINING AND COMMUNICATION**

- 8.1 Training on this Policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this Policy.
- 8.2 Kajima's zero-tolerance approach to bribery and corruption must be communicated to all third parties, including suppliers, agents, contractors and business partners at the outset of Kajima's business or commercial relationship with them and as appropriate thereafter.

**9 MONITORING AND REVIEW**

- 9.1 The Compliance Officer will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 9.2 All employees are responsible for the success of this Policy and should ensure that they use it to disclose any suspected danger or wrongdoing.
- 9.3 Employees are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Compliance Officer.

## 10 HOW TO COMPLY WITH THIS POLICY

### Who is responsible for compliance?

- 10.1 Everyone who works for, or on behalf of, Kajima must ensure that they read, understand and comply with this Policy.
- 10.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Kajima, with Kajima, or under the control of Kajima. All employees are required to avoid any activity that might lead to, or suggest, a breach of this Policy. Management at all levels are responsible for ensuring that those reporting to it are made aware of and understand this Policy and are given adequate and regular training on it.
- 10.3 The Board of Directors of KEL, KPL and KPHL have overall responsibility for ensuring that this Policy complies with Kajima's legal and ethical obligations, and that all those within the control and influence of Kajima comply with it. The Compliance Officer has primary day-to-day responsibility for implementing this Policy, for monitoring its use and effectiveness and dealing with any queries on its interpretation.
- 10.4 Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. Kajima reserves its right to terminate its contractual relationship with employees if they breach this Policy.

### How to raise a concern

- 10.5 Employees are encouraged to raise concerns about any issue or suspicion of wrongdoing at the earliest possible stage.
- 10.6 You must notify the Compliance Officer as soon as possible if you believe or suspect that a conflict with this Policy has occurred, or may occur in the future. You must not discuss the potential problem with the other parties involved until you have notified the relevant person and they have told you that you can.
- 10.7 Concerns should be reported by following the procedure set out in Kajima's Whistleblowing Policy. A copy of the Whistleblowing Policy can be found at Schedule 2.
- 10.8 It is important that you tell the Compliance Officer as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may have happened or may happen in the future, or believe that you are a victim of another form of unlawful activity.
- 10.9 If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Compliance Officer.

### Protection from unfair or discriminatory treatment

- 10.10 Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. Kajima aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 10.11 Kajima is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribe or other corruption has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.
- 10.12 If you believe that you have suffered any such treatment, you should inform the Compliance Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using Kajima's Grievance Procedure, which can be found at paragraphs 8.1 and 8.2 of Kajima's Staff Handbook.

## SCHEDULE 1

**Guidance on Provision of Corporate Hospitality and Gifts**

- 1 Kajima does not prohibit giving gifts, corporate hospitality or entertainment to clients, potential clients or other third parties provided that it is reasonable, proportionate and not intended as an improper inducement.
- 2 "Hospitality" and "entertainment" include the offer of meals or refreshments that are of more than an incidental nature (for example, lunch or refreshments as part of a meeting or conference would be regarded as incidental) and invitations to events, seminars, functions or other social, cultural or sporting gatherings, in all cases.
- 3 "Gifts" include any item, cash or goods, or any service that is offered for personal benefit at no cost to the recipient or at a cost less than its commercial value.
- 4 Any gifts, hospitality or entertainment given should reflect a desire to cement good relations and show appreciation. To the extent that any such gifts, hospitality or entertainment are of a promotional nature, their purpose should be to improve the image of Kajima, better present its products and services or to establish cordial relations. However, under no circumstances should the recipient of any gifts, hospitality or entertainment be given the impression that they are under an obligation to give Kajima business because of it.
- 5 In terms of determining whether the provision of a particular gift or item of hospitality or entertainment is acceptable, as well as the procedure for approval, the following factors should be considered:
  - (a) Intent: is the intent to recognise and mark appreciation of a relationship or promote the image of Kajima and its services or to induce conduct that amounts to a breach of good faith, impartiality or a position of trust (note that a quid pro quo is never acceptable)?
  - (b) Lavishness: expenditure on a gift, hospitality or entertainment must be reasonable and proportionate. The more lavish the gift, hospitality or entertainment, the greater the inference that it is intended improperly to procure a business advantage for the giver. For example, a flight to and luxury accommodation in Japan for a business meeting that could just as easily take place in Europe would be considered unduly lavish. Also, the recipient of a lavish gift or event is more likely to feel under an obligation to perform their duties improperly on account of the lavish gift or event.
  - (c) Impact on Kajima's reputation: if the gift, hospitality or entertainment was reported in the press, would Kajima be embarrassed?
  - (d) Transparency: any hospitality, gift or entertainment should be given in the open and not secretly. It should also be given in Kajima's name, and not the name of an individual director, officer or employee. Also, any such gift or event should be recorded (including the business rationale underlying such gift or entertainment).
  - (e) Market practice in the relevant industry or sector: standards and norms in a particular industry or sector are relevant. However, to the extent that those standards or norms are in themselves extravagant or lavish, then Kajima may still be exposed to the risk of allegations of bribery.
  - (f) Timing: the timing for offering any gifts, hospitality or entertainment should be considered so as to not give the inference of impropriety. Generally the timing should be appropriate in the circumstances, such as at Christmas or other times of the year when gift-giving is customary or in the case of regular fixtures in Kajima's social calendar. The provision of gifts, hospitality or

entertainment during a period when Kajima is tendering for work from a client, or a potential client, would not generally be deemed appropriate.

- (g) Invitees:
- (i) in the case of corporate hospitality or entertainment, it will generally only be appropriate to invite key contacts from suppliers or agents, not their spouses or family;
  - (ii) generally there should be a proportionate number of people representing Kajima in order to underscore the relationship-building purpose of the event;
  - (iii) if hospitality or entertainment is provided to a supplier or agent (or equivalent) and no one from Kajima is present (e.g. theatre tickets, meals, travel), that would be considered a gift and possibly inappropriate, particularly to the extent it was lavish; and
  - (iv) consider the level/seniority of the attendees involved – what is lavish to a junior member of the recipient’s team may be considered normal in the eyes of a Director.
- (h) Content: the higher the business or educational content of a particular event, the more likely it is that it will be considered appropriate. For example, an annual golf outing near the office in which there is a presentation over lunch about Kajima’s strategy and/or current trends in its industry or sector is unlikely to be considered inappropriate.
- (i) Branded gifts: small/nominal gifts which incorporate Kajima’s logo (for example, pens, calendars, umbrellas) and thus have a promotional purpose will generally not be considered problematic, particularly if they are provided at times of the year where gift-giving is customary in the jurisdiction of the recipient.
- (j) Involvement of a Foreign Public Official: for the reasons set out at section 4 of the main body of this Policy, the involvement of a Foreign Public Official as the recipient of any gift, corporate hospitality or entertainment significantly increases Kajima’s exposure to allegations of bribery. This is because under the Bribery Act 2010 no intent to induce improper performance on the part of the Foreign Public Official is required to trigger the relevant offence. Instead, in order for the offence to apply, the giver of the gift, hospitality or entertainment needs only to intend that it influences the Foreign Public Official in order to secure a particular business advantage for Kajima.
- (i) All of the above factors will be relevant to consider in determining the appropriateness of a proposed gift or provision of hospitality to a Foreign Public Official (for example, lavishness of gift, hospitality or entertainment). It will also be relevant to consider the level of influence the particular Foreign Public Official actually has (for example, whether they have the authority to grant the business advantage in question).
  - (ii) Provided that there is no evidence to the contrary, the incidental provision of a routine business courtesy or the reimbursement of legitimate expenses in a promotional capacity will be unlikely to raise the inference of bribery. For example, sending a reasonably priced bottle of wine in appreciation for a government official speaking at a seminar arranged by Kajima would be more likely to be considered appropriate.
- (k) Nepotism: advantages offered to the family member of a client or potential client (for example, unfair consideration for a position of employment with Kajima as a form of appreciation for their business) are unlikely ever to be appropriate.

## 6 Approval process

### *Budgeted expenditure*

- 6.1 All hospitality should be proportionate for the recipient and for the industry relative to the country and sectors in which it is situated.
- 6.2 When proposing a gift, corporate hospitality or entertainment which would come out of the annual marketing/business development budget for your department, you must observe the following:
- (a) where the value of the gift, hospitality or entertainment is less than £500 (or its equivalent in other currency), you must submit receipts as per the Accounts Department procedure and notify your Head of Department with a record of the attendees, business purpose (e.g. cementing good relations) and total cost.
  - (b) where the value of the gift, hospitality or entertainment is more than £500 (or its equivalent in other currency), you will need to submit a business case and objective, name of client(s) and expected budget (among other things) to Nigel Chism for approval and screening against the risk of exposing the firm to allegations of bribery.

### *Unbudgeted expenditure*

- 6.3 A proposed gift, corporate hospitality or entertainment that is not included within the annual marketing/business development budget must be agreed in accordance with the following procedure:
- (a) if the value of the proposed gift, hospitality or entertainment is under £500 as an aggregate spend on that individual for the year or £5,000 (or its equivalent in other currency) for the event in total, you must get prior written approval from Nigel Chism and notify him with the name of the recipient, business purpose and value so that he can make a note of the event.
  - (b) if the value of the proposed gift, hospitality or entertainment is over £500 either on its own or in aggregate spend on that individual for the year or over £5,000 (or its equivalent in other currency) for the event in total, you must obtain prior written approval from Nigel Chism, who will assess potential bribery risk.
- 6.4 Normal Accounts Department practice with regard to expenses should be followed in both the budgeted and unbudgeted expenditure scenarios.

## SCHEDULE 2

**Whistleblowing Policy****1 Policy Statement**

- 1.1 Kajima UK (the "Organisation") encourages a free, open and honest culture in its dealings between its officers, employees, workers and all people with whom it engages in business and legal relations. In particular, the management recognise that effective and honest communication is essential if concerns about breaches or failures are to be effectively dealt with and the Organisation's success ensured.
- 1.2 This Policy applies to all individuals working at all levels of the Organisation, including senior managers, officers, directors, employees, consultants, contractors, trainees, homeworkers, part-time and fixed-term workers, casual and agency staff (collectively referred to as staff in this Policy).
- 1.3 Staff must not suffer any detrimental treatment as a result of raising a concern in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform a member of Human Resources immediately. If the matter is not remedied you should raise it formally using our Grievance Procedure.
- 1.4 Staff must not threaten or retaliate against whistle-blowers in any way. Anyone involved in such conduct will be subject to disciplinary action.

**2 Procedure**

- 2.1 This Policy will apply in cases where staff, genuinely and in good faith, reasonably believe that one of the following sets of circumstances is occurring, has occurred or is likely to occur within the Organisation:
- (a) A criminal offence has been committed, is being committed or is likely to be committed.
  - (b) A person has failed, is failing or is likely to fail to comply with any legal obligation to which he or she is subject.
  - (c) A miscarriage of justice has occurred, is occurring or is likely to occur.
  - (d) The health and safety of any individual has been, is being or is likely to be endangered.
  - (e) The environment has been, is being or is likely to be damaged.
  - (f) Information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.
- 2.2 While it is not necessary that staff prove the breach or failure that they are alleging has occurred or is likely to occur, but may simply raise a genuine concern, they should note that they will not be protected from the consequences of making such a disclosure if, by doing so, they commit a criminal offence or if they make the disclosure motivated by a reason which is not good faith.
- 2.3 If you are uncertain whether something is within the scope of this Policy you should seek advice from a member of Human Resources.
- 2.4 If staff wish to raise or discuss any issues which might fall into the above category, they should initially contact their immediate line manager, a member of Human Resources, or the Compliance Officer, who will treat the matter in confidence. In such cases it is likely that further investigation will be necessary and staff may be required to attend additional meetings (such as investigative hearings or disciplinary hearings as a witness). Staff should treat any information about the investigation as confidential. Appropriate steps

will be taken to ensure that their working environment and/or working relationship is/are not prejudiced by the fact of the disclosure.

- 2.5 While the Organisation cannot always guarantee the outcome staff are seeking, we will try to deal with your concern fairly and in an appropriate way. By using this Policy staff can help the Organisation to achieve this. If staff are not happy with the way in which concerns have been handled, they may raise it with a member of Human Resources.
- 2.6 If staff reasonably believe that the relevant failure (i.e. one of the set of circumstances listed above in paragraph 2.1) relates solely or mainly to the conduct of a person other than their employer or any other matter for which a person other than the Organisation has a legal responsibility, then staff may make that disclosure to that other person. However, we encourage all staff to report such concerns internally in the first instance, following the procedure at paragraph 2.2 above.
- 2.7 The aim of this Policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally. However, while the Organisation encourages internal reporting, we strongly encourage staff to seek advice before reporting a concern externally. Staff may contact "Public Concern at Work" (<http://www.pcaw.co.uk/>), the leading authority on public interest 'whistle-blowing', for guidance on whistle-blowing generally, who operate a confidential helpline. Disclosures made to employees' legal advisors in the course of obtaining legal advice will be protected.
- 2.8 If any disclosure is made in bad faith (for instance, in order to cause disruption within the organisation), or concerns information which employees do not substantially believe is true, or if the disclosure is made for personal gain, then such a disclosure will constitute a disciplinary offence for the purposes of the Organisation's Disciplinary Policy and Procedures and may constitute gross misconduct for which summary dismissal is the sanction.
- 2.9 While the Organisation hopes that such disclosure will never be necessary within its Organisation, it also recognises that it may find itself in circumstances which are new to it. Each case will be treated on its own facts.

## SCHEDULE 3

**Anti-Fraud and Corruption Policy Statement****1 Introduction**

- 1.1 Kajima is determined to maintain its reputation and will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found in any area of Kajima's activity.
- 1.2 The purpose of this Policy Statement is to set out for Board Members and employees the main principles for countering fraud and corruption.
- 1.3 The Policy Statement includes:
- (a) the scope;
  - (b) the culture and the stance against fraud and corruption;
  - (c) how to raise concerns and report financial malpractice;
  - (d) the principle of having a Kajima anti-fraud & corruption strategy; and
  - (e) the responsible employee.
- 1.4 Board Members and employees shall play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will function, and the promotion of an anti-fraud culture across the whole of Kajima.
- 1.5 For the sake of clarity, the definition of fraud and corruption is generally as follows:
- (a) "Fraud" is the intentional distortion of financial statements or other records by persons internal or external to Kajima that is carried out to conceal the misappropriation of assets or otherwise for gain.
  - (b) "Corruption" is the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person.

**2 Scope**

- 2.1 This Policy Statement applies to Board Members and all employees who work for Kajima.
- 2.2 Therefore, Kajima expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) that it deals with will act with integrity and without thought or actions involving fraud and corruption. Where relevant, Kajima will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts are likely to lead to a termination of the particular contract and may lead to prosecution.

**3 Culture and stance against fraud and corruption**

- 3.1 Responsibility for an anti-fraud culture is the joint duty of all those within Kajima involved in giving political direction, determining policy and management. The strategy should be directed against fraud and corruption whether it is attempted against Kajima from outside or from within Kajima's own workforce.
- 3.2 Kajima expects that Board Members and employees at all levels will lead by example in ensuring adherence to legal requirements, financial regulations, contract procedure rules, codes of conduct, other procedures and practices.
- 3.3 As part of this culture, Kajima will provide clear routes by which concerns can be raised by both Board Members and employees.

3.4 Senior management is expected to deal swiftly and firmly with those who defraud Kajima or who are corrupt. Kajima, including Board Members and senior management, should be robust in dealing with fraud and corruption.

#### **4 Raising concerns**

4.1 Although this document specifically refers to fraud and corruption, it equally applies to all financial malpractice. This includes a wide range of irregularities and criminal acts that are financial or finance-related. For example, the criminal acts of theft of property, which includes all assets and cash, false accounting, obtaining property or pecuniary advantage by deception, computer abuse and computer crime. Further, employees and Board Members can be exposed to pressure from contractors, tenants and the general public to act in a particular way in a particular case. This may involve favouritism regarding access to all kinds of services and benefits.

4.2 Board Members and employees are an important element in Kajima's stance against fraud and corruption, and are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with Kajima's activity.

4.3 Employees should normally raise concerns through their immediate manager, who will inform the Finance Director. However it is recognised that employees may feel inhibited in certain circumstances. In this case, employees should contact the Chief Executive Officer.

4.4 Kajima's Whistleblowing Policy gives further guidance on how to raise concerns and it gives details about the support and safeguards that are available to those that do raise concerns.

4.5 Concerns will be treated in confidence, properly investigated and dealt with fairly. There is, of course, a need to ensure that any investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter.

#### **5 Anti-fraud and corruption strategy**

5.1 This Policy Statement forms an important part of the anti-fraud and corruption strategy by setting out the tone, culture and expectations of Kajima, as part of the corporate framework.

5.2 The strategy itself details such key features as the corporate framework, prevention, detection and investigation, training and deterrence.

#### **6 The Responsible Officer**

6.1 Nigel Chism is responsible for ensuring that Kajima has control systems and measures in place to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records. He will:

- (a) take overall responsibility for the maintenance and operation of this Policy Statement; and
- (b) maintain records of financial malpractice, including concerns and allegations received, matters arising from audits, investigations and evidence and the outcomes.

## SCHEDULE 4

**Anti-Money Laundering Policy Statement****1 Introduction**

- 1.1 The Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 have broadened the definition of money laundering and increased the range of activities covered by the law.
- 1.2 The purpose of this section is to set out Kajima's policy on money laundering.

**2 Scope**

- 2.1 Potentially any transaction could be caught by the money laundering provisions if we suspect money laundering and either become involved with it in some way or do nothing about it. Whilst the risk of Kajima contravening the legislation is low, it is extremely important that Directors and employees take measures to reduce any risk to a minimum.

**3 Client Identification**

- 3.1 Directors and employees will ensure that where Kajima is to form an ongoing business relationship with a client, or undertake a one-off transaction involving payment by or to a client then Directors and employees will request satisfactory evidence of the identity of the prospective client, as soon as practicable after the relationship commences.
- 3.2 If satisfactory evidence of identity is not obtained at the outset or there is an unjustified delay in the evidence of identity being obtained from the client or where the client is deliberately not providing the evidence the business relationship or one off transaction shall cease and cannot proceed any further.
- 3.3 The responsible officer who shall determine if satisfactory evidence of identity has been provided is the relevant Head of Department and in any instance of uncertainty such determination shall defer to the Finance Director.