

ANTI - FRAUD & BRIBERY POLICY

ESS Modular are using the six principles for implementing 'adequate procedures' to prevent bribery, as referenced by the Ministry of Justice who have released the official Guidance to the Bribery Act 2010.

The six new principles are:

1. Proportionate Procedures

- The procedures implemented by ESS Modular must be proportionate to the potential bribery risk it faces.
- We are therefore in the process of implementing a company risk assessment to identify the nature and extent of potential bribery related risks.
- We acknowledge that ESS Modular could face bribery related risks due to the nature and location of the business in which it operates or third parties it deals with.
- Our procedures implemented must therefore be clear, practical, accessible and effectively implemented and enforced (through principles 2 to 6 detailed below)

2. Top Level Commitment

- The management of ESS Modular will ensure the anti-bribery policy is implemented throughout the company. It is made clear the company has a 'zero tolerance' approach to bribery.
- This principle should be implemented in two stages: 1. communication of the anti-bribery company policy; and 2. implementation of that policy through various bribery prevention procedures.
- The policy is issued as a formal statement within the employee handbook and is communicated to all new and existing employees.

3. Risk Assessment

- This principle is implemented through the first principle as a general company risk assessment.
- The exercises and procedures implemented under this principle may also coincide with those under principle 4, due diligence.
- We will identify and prioritise the bribery risks which ESS Modular faces. External risks are classified by the following categories: country, sector, transaction, business opportunity and business partnership risks.
- ESS Modular can also face internal risks including a lack of understanding or training of employees as to the bribery risks, or a lack of clarity on the anti-bribery policy on corporate hospitality which is addressed.



4. Due Diligence

- ESS Modular will implement a due diligence policy in relation to new clients, agents, joint ventures and similar parties. These enquiries will be proportionate to the potential bribery risks.
- Due diligence is carried out using a 'risk based' approach, whereby risks are mitigated by carrying out background research or obtaining references on third party agents or companies with whom the company deals with, where appropriate.

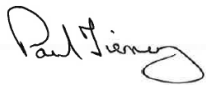
5. Communication

- ESS Modular anti-bribery policies have been established, and they must be effectively and continually communicated throughout the company. This involves appropriate training of employees on a regular basis.
- ESS Modular will enhance awareness between all employees in relation to the consequences of bribery. It may also provide reassurance and protection to those employees who report any incidents of bribery.

6. Monitoring and Review

- Anti-bribery policies are kept constantly under review, with any necessary changes being implemented following any incidents of bribery or latest advice received from ESS Modular expert advisors. We encourage internal or independent recommendations for our anti-bribery policies.

Failure to comply with the policy guidelines will result in disciplinary proceedings.



Paul Tierney, Managing Director

Date: 3rd May 2019

