

IN THE CROWN COURT AT SOUTHWARK

BETWEEN:

SERIOUS FRAUD OFFICE

-v-

AIRLINE SERVICES LIMITED

DEFERRED PROSECUTION AGREEMENT

Airline Services Limited ("ASL") by its undersigned representatives pursuant to authority granted by its Board of Directors, and the Director of the Serious Fraud Office ("the SFO") enter into this Deferred Prosecution Agreement ("the Agreement"). This Agreement comes into force on the day when the Court makes a declaration pursuant to Schedule 17, paragraph 8(1) and (3) of the Crime and Courts Act 2013.

The terms and conditions of this Agreement are as follows:

The Indictment and Acceptance of Responsibility

1. ASL agrees that the SFO will prefer a draft Indictment ("the Indictment"), attached hereto as Appendix A.
2. ASL agrees that the Statement of Facts is true and accurate to the best of its knowledge and belief.
3. In the event of it becoming necessary for the SFO to pursue the prosecution that is deferred by this Agreement, ASL agrees that it will not contest the admissibility of, nor contradict, the Statement of Facts in any such proceedings, including at any proceedings at which ASL were to enter a guilty plea or at sentencing. The Statement of Facts will be treated as an admission

by ASL of the facts stated therein under section 10 of the Criminal Justice Act 1967 in any criminal proceedings brought against ASL for the alleged offence contained in the indictment.

Term of the Agreement

4. This agreement is effective from the date on which the Court makes a declaration under Schedule 17, paragraph 8(1) and (3) of the Crime and Courts Act 2013 and ending one year from that date on 30th day of October 2021.

Scope of Agreement

5. These terms do not provide any protection against prosecution for conduct not disclosed by ASL prior to the date on which the Agreement comes into force and nor does it provide protection against prosecution for any future criminal conduct committed by ASL. In addition, this Agreement does not provide any protection against prosecution of any present or former officer, director, employee or agent of ASL.

Deferred Prosecution

6. In consideration of:
 - a. Prompt and voluntary self-disclosure of the conduct set forth in the Statement of Facts, and
 - b. past and future cooperation of ASL as described in Part A below; and
 - c. lack of history of similar conduct involving prior criminal, civil or regulatory enforcement actions, and
 - d. ASL's agreement to remain in existence at least through to the expiry of the Agreement; and
 - e. ASL's disgorgement of profit of £990,971.45; and
 - f. ASL's payment of a financial penalty of £1,238,714.31; and
 - g. ASL's payment of costs of £750,000,

the SFO agrees that, subject to the Court's approval, the Indictment should on being preferred immediately be suspended for the Term of the Agreement.

7. The SFO further agrees that if ASL fully complies with all its obligations under this Agreement, or the Agreement as varied with the approval of the Court, the SFO will not continue the prosecution against ASL upon the Indictment and at the conclusion of the Term the

Agreement will expire. Within 30 days of this Agreement's expiration the SFO will give notice to the Court and to ASL that the proceedings under the Indictment are to be discontinued.

8. After the expiry of the Agreement the SFO may institute fresh proceedings if the SFO believes that during the course of negotiations of the Agreement ASL provided inaccurate, misleading or incomplete information to the SFO and ASL knew, or ought to have known, that the information was inaccurate, misleading or incomplete.

Terms

A. Cooperation

9. Unless released from the obligation to do so by the SFO, ASL shall retain in England and Wales for the Term of the Agreement all material gathered as part of its internal investigation, as well as all material gathered in the course of the SFO's investigation leading to this Agreement and shall request that its parent and subsidiaries do the same. This provision does not amend or derogate from sections 2(16) and (17) of the Criminal Justice Act 1987 nor any other statutory or common law obligation.
10. At the request of the SFO, ASL shall also cooperate fully and honestly with any other domestic or foreign law enforcement and regulatory authorities and agencies in any investigation or prosecution of any of its present or former officers, directors, employees, agents, and consultants, or any third party, in any and all matters relating to the conduct which is the subject of the Indictment and described in the Statement of Facts.
11. ASL agrees that its cooperation pursuant to paragraphs 9 and 10 shall include, but not be limited to, the following:
 - a. disclosure to the SFO, and, as directed by the SFO, to any other agency or authority, domestic or foreign, of all information and material in its possession, custody and control which is not protected by a valid claim of legal professional privilege or any other applicable legal protection against disclosure, in respect of its activities and those of its present and former directors, employees, agents, consultants, contractors and sub-contractors, and any other third parties.
 - b. Use of its best efforts to make available for interview, as requested by the SFO, present or former officers, directors, employees, agents and consultants of ASL.

Nothing in paragraphs 9 to 11 is intended to derogate from ASL's legal rights to raise any defence or assert affirmative claims in criminal, civil and regulatory proceedings in other fora or jurisdictions relating to matters set out in the Statement of Facts, provided that such defences and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts or otherwise violate paragraphs 29 to 31 below.

12. During the Term of the Agreement, should any of ASL's Directors learn of any evidence or allegation of conduct by (i) ASL, (ii) its affiliates, or (iii) any of ASL's or its affiliates' past, present, or future officers, directors, employees, or agents which any of ASL's Directors reasonably believe constitutes an offence under the provisions of the Bribery Act 2010, ASL shall promptly report such evidence or allegation to the SFO.

B. Disgorgement of Profits

13. The SFO and ASL agree that £990,971.45 is the amount of gross profit gained by ASL as a result of the alleged offences described in the Indictment and the conduct set forth in the Statement of Facts. Therefore, ASL agrees to disgorge this amount and to pay this amount within seven (7) days of the Court's declaration under Schedule 17 paragraph 8(1) and (3) of the Crime and Courts Act 2013 and, subject to paragraph 14 below, to the SFO for onward transmission to the Consolidated Fund. Failure to do so will, subject to paragraph 14 below, constitute a breach of this Agreement. The disgorgement of £990,971.45 is final and shall not be refunded.

14. At the sole discretion of the SFO, late payment of disgorged profits by up to 30 days may not constitute a breach of this agreement but will be subject to interest at the prevailing rate applicable to judgment debts in the High Court.

15. The SFO is not precluded from arguing in any future prosecution that the Court should impose a higher disgorgement amount.

16. ASL acknowledges that no tax deduction may be sought in the United Kingdom or elsewhere in connection with the payment of any part of this disgorgement.

C. Payment of a Financial Penalty

17. The SFO and ASL agree that ASL will pay a financial penalty to the SFO for onward transmission to the Consolidated Fund in the amount of £1,238,714.31, calculated as follows:

Harm (100% of gross profit): £990,971.45

Multiplier: 250%

Discount: 50%

TOTAL: £1,238,714.31

ASL will pay the financial penalty within seven (7) days of the Court's declaration under Schedule 17 paragraph 8(1) and (3) of the Crime and Courts Act 2013 and, subject to paragraph 18 below, failure to do so may constitute a breach of this Agreement. The payment of the financial penalty is final and shall not be refunded.

18. At the sole discretion of the SFO late payment of the financial penalty by up to 30 days may not constitute a breach of this agreement but will be subject to interest at the prevailing rate applicable to judgment debts in the High Court on any amount of financial penalty unpaid.
19. The SFO is not precluded from arguing in any future prosecution that the Court should impose a higher financial penalty.
20. ASL agrees that no tax reduction will be sought in the UK or elsewhere in connection with the payment of any part of this financial penalty.

D. Costs

21. The SFO and ASL agree that ASL will pay a contribution to the reasonable costs of the SFO's investigation and of entering into this Agreement in the amount of £750,000 to the SFO. ASL will pay this sum to the SFO within seven (7) days of the Court's declaration under Schedule 17 paragraph 8(1) and (3) of the Crime and Courts Act 2013 and, subject to paragraph 22 below, failure to do so will constitute a breach of the Agreement. The payment of costs is final and shall not be refunded.
22. At the sole discretion of the SFO, late payment of costs by up to 30 days may not constitute a breach of this agreement but will be subject to interest at the prevailing rate applicable to judgment debts in the High Court on any amount of costs unpaid.
23. The SFO is not precluded from arguing in any future prosecution that the Court should impose a higher costs amount.
24. ASL acknowledges that no tax deduction may be sought in the United Kingdom or elsewhere in connection with the payment of any part of this costs payment.

Breach of the Agreement

25. In the event that the SFO believes that ASL has failed to comply with any of the terms of this Agreement, the SFO agrees to provide ASL with written notice of such alleged failure prior to commencing proceedings resulting from such failure. ASL shall, within fourteen (14) days of receiving such notice, have the opportunity to respond to the SFO in writing to explain the nature and circumstances of the alleged failure, as well as any actions ASL has taken to address and remedy the situation. The SFO will consider the explanation in deciding whether to make an application to the Court.
26. If, following receipt of ASL's response as set out in paragraph 25 above, the SFO considers that it has been unable to secure a satisfactory outcome through the process set out in paragraph 25, the SFO may apply to the Court for a finding that ASL is in breach of the term(s) as alleged. In the event that the Court terminates the Agreement the SFO may make an application for the lifting of the suspension of the Indictment associated with the DPA and thereby reinstitute criminal proceedings.

Sale or merger of ASL

27. ASL agrees that in the event that, during the Term of this Agreement, it sells, merges or transfers all or substantially all of its business operations as they exist at the date of this Agreement, whether such sale is an asset sale, merger or transfer it shall include in any contract for sale, merger or transfer a provision binding the purchaser or successor to the obligations described in this Agreement.
28. If ASL enters into voluntary or compulsory liquidation while the Agreement remains in force it will notify the SFO at the earliest opportunity. Failure to do so will constitute a breach of this Agreement.

Public statements

29. ASL agrees that it shall not make, and it shall not authorise its affiliates, its present or future lawyers, officers, directors, employees, agents or shareholders or any other person authorised to speak on ASL's behalf to make any public statement contradicting the matters described in the Statement of Facts. The decision whether any public statement by any such person contradicting a matter described in the Statement of Facts will be imputed to ASL for the purpose of determining whether to apply to the court seeking a finding that ASL has breached the Agreement lies within the sole discretion of the SFO. If the SFO determines that a public statement by any such person contradicts in whole or in part a matter described in the Statement of Facts, the SFO shall so notify ASL, and ASL may avoid the SFO applying to the court seeking a finding that ASL has breached the Agreement by publicly repudiating such statement(s) within five business days after notification. This paragraph does not apply to any statement made by any present or former director, officer, employee or agent of ASL in the course of any criminal, civil, or regulatory proceedings instituted against or by the said individual, unless such individual is speaking on behalf of ASL.
30. ASL agrees that if it or any of its affiliates issues a press release or issues any other public statement in connection with this Agreement, ASL shall first consult with the SFO to determine (a) whether the text of the press release or other proposed public statement are true and accurate with respect to matters between the SFO and ASL, and (b) whether the SFO has any objection to the release.
31. ASL shall procure that parent and subsidiary companies shall not make, and it shall not authorise its present or future lawyers, officers, directors, employees, agents, its subsidiaries or shareholders or any other person authorised to speak on ASL's behalf to make any public statement contradicting the matters described in the Statement of Facts. This paragraph does not apply to any statement made by any present or former director, officer, employee or agent of ASL in the course of any criminal, civil, or regulatory proceedings instituted against or by the said individual, unless such individual is speaking on behalf of ASL.

Warranty

32. ASL warrants that:

- a. the information provided to the prosecutor throughout the DPA negotiations and upon which the DPA is based does not knowingly contain inaccurate, misleading or incomplete information relevant to the conduct ASL has disclosed to the SFO.
- b. it will notify the SFO and provide where requested any documentation or other material that it becomes aware of whilst this Agreement is in force which it knows or suspects would have been relevant to the offences particularised in the Indictment.

33. ASL agrees to its legal advisors (Eversheds Sutherland (International) LLP) providing a warranty in the same terms as paragraph 32(a) above.

Limitations on Binding Effect of Agreement


34. This Agreement is binding on ASL and the SFO, but specifically does not bind any other component of the UK Government or any other authorities.

Complete Agreement

35. This Agreement, including its attachments, sets forth all the terms of the agreement between ASL and the SFO. No amendments, modifications, or additions to this Agreement shall be valid unless they are in writing and signed by the SFO and a duly authorised representative of ASL, and where required under the Deferred Prosecution Agreements Code of Practice, approved by the court.

Consent

Agreed

For Airline Services Limited : 
Name: LLOYD CROMWELL GRIFFITHS
Position: CHAIRMAN DIRECTOR
Dated 21st day of OCTOBER 2020

For the Serious Fraud Office 
Name: LISA OSOFSKY Lisa Osofsky
Position: DIRECTOR Director
Dated day of 2nd of October 2020