



1. Introduction

This policy applies to all employees of MGF Ltd. and its subsidiaries, their officers, directors and employees whether permanent or temporary. It also applies to all MGF's supply chain partners, including agents, advisers, consultants and sub-contractors.

- 1.1. The definition of bribery is accepting of gifts, money, hospitality or other favours e.g. something of value or advantage in return for providing something of value to the briber. It may be an intangible benefit such as providing information or advice or assistance in arranging a business transaction. It need not be for your personal benefit e.g. a donation by a supplier to your favourite charity could be a bribe.
- 1.2. We expect all employees to conduct themselves with integrity, impartiality and honesty at all times and to maintain high standards of propriety and professionalism. This includes avoiding laying themselves open to suspicion of dishonesty or putting themselves in a position of conflict between their official duty and private interest. Employees should be aware that gifts and hospitality, offered by contractors, suppliers, service providers and others, might place an employee in a vulnerable position. Even when offered, and accepted, in innocence, others may misconstrue the intention behind such gifts.
- 1.3. It is important to take particular care about any gift or hospitality from a person or organisation that has, or is hoping to have, a contract with us. Although it is conventional in some parts of the private sector, and in other countries, for businesses to exchange gifts, this is not a normal practice within MGF (Trench Construction Systems) Ltd.
- 1.4. Gifts inevitably affect future dealings with the donor. Without realising it, employees may make more of an effort for those who give gifts and the bigger the gift, the bigger the potential for problems. Gifts, no matter how small, may be construed as persuading the recipients to act in some way they may not otherwise do.
- 1.5. Expressions of gratitude that make employees in any way dependent on the giver are not acceptable in any circumstances. If refusal is likely to offend then the gift should be clearly donated to charity.
- 1.6. Cultural differences need to be taken into account if employees deal with individuals from abroad.
- 1.7. In the interests of openness and integrity, and in order to protect individual employees from accusations of impropriety, MGF (Trench Construction Systems) Ltd will maintain a central register of gifts and hospitality accepted (form HRF 42) and gifts/ hospitality given (form HRF 45).
- 1.8. The purpose of this policy is to set out our standards and provide advice and guidance for employees in respect of giving or receiving gifts or hospitality. The policy applies even when no reimbursement from MGF (Trench Construction Systems) Ltd is sought.
- 1.9. This policy is non-contractual, and sets out the way in which MGF (Trench Construction Systems) Ltd wishes to manage the giving and receiving of gifts and hospitality.

2. Legal Considerations

- 2.1. The Bribery Act 2010 came into effect from 1 July 2011. It creates three potential offences for UK registered companies as follows:

- 2.1.1. A general offence of offering or receiving bribes;

This offence is committed if a person (individual or company) offers, promises, gives or receives a bribe

- 2.1.2. A new criminal offence of failure by a commercial organisation to prevent a bribe being paid for or on its behalf

This is a corporate offence. It is committed if a company fails to prevent persons (employees) from using bribery with the intention of obtaining or retaining a business advantage for the company. It is irrelevant whether or not the company approves, or is aware of the bribery committed. It is, however, a full defence to this corporate offence if the company can show that, despite a particular case of bribery, it nevertheless has 'adequate procedures' in place to prevent bribery.

- 2.1.3. A specific offence of bribing a foreign public official.

This offence is committed if the person giving the bribe intends to influence the foreign public official in the performance of his or her official functions in order to obtain an advantage in the conduct of business by doing so.



2.2. There are severe penalties for breach of the UK Act, being an unlimited fine and/or imprisonment for up to 10 years. In addition, failure to comply with the legislation will cause considerable damage to the good name and reputation of MGF.

3. Unacceptable Behaviour

3.1. The following behaviour is unacceptable and must not occur in MGF:-

3.1.1. Accepting any financial or other reward from any person in return for providing some favour;

3.1.2. Requesting a financial or other reward from any person in return for providing some favour;

3.1.3. Offering any financial or other reward from any person in return for providing some favour.

4. Business Gifts/Hospitality

4.1. Neither the law, nor this policy is intended to prohibit the giving or receipt of reasonable and proportionate hospitality designed to cement business relationships and enhance knowledge of people, products or services. Extra care is required when giving hospitality or entertainment to foreign public officials, because of the different definition of what constitutes an offence with regard to such persons.

4.2. When you are considering offering, accepting or providing gifts, hospitality or entertainment you must ensure that they shall:-

4.2.1. Be in good faith, occasional, appropriate, reasonable and proportionate;

4.2.2. Constitute a normal business courtesy (such as paying for a meal or shared taxi);

4.2.3. Comply with any applicable laws, including those which may apply to any relevant foreign public officials;

4.2.4. Not be possible of reasonably being perceived in any way as a bribe and;

4.2.5. Not be in cash.

4.3. By way of guidance:-

4.3.1. Customary gifts or modest Christmas gifts may be accepted provided the value of such gifts does not exceed £50 per annum from any one source;

4.3.2. Reasonable entertainment in restaurants, theatres and at sporting or cultural events is allowed provided that it is not excessive and is not repeated on frequent occasions.

5. Offering Gifts and Hospitality

5.1. It is MGF's custom to offer small gifts bearing our logo (e.g. pens, diaries,) to customers, suppliers and other persons. If a gift is authorised (by the Depot Manager/Line Manager) the employee is entitled to give it to the appropriate individuals.

5.2. MGF occasionally runs hospitality events aimed at thanking customers and suppliers for their custom and loyalty. An employee must not organise any additional hospitality event without seeking authority from the Financial Director.

5.3. A record must be kept of any gifts/ hospitality over the value of £50. An e-mail should be sent to the Financial Controller detailing the date the gift/ hospitality was given, the receiving Company, individuals at the receiving company, and a brief description of the gift/ hospitality. These details will then be entered by the Financial Controller into the central register (form HRF 45). Any queries about the contents of the register should be directed to the Financial Director.

6. Register of gifts and hospitality accepted

All gifts or hospitality accepted (other than promotional items bearing the donor's logo and refreshments supplied during meetings) should be entered into the central register (form HRF 42) maintained by the Financial Controller. On receipt of such a gift/hospitality, employees should send an email to the Financial Controller which should state the name of the



individual that provided the gift/hospitality, the organisation they work for, a short description of the gift/hospitality received, the date it was received and the cost of the gift/hospitality received. Any queries about the contents of the register should be directed to the Financial Director.

7. Attempts to Bribe

Any employee who is concerned that he or she is potentially being bribed should report this to his or her Depot Manager/Line Manager immediately.

8. Donations to organisations

8.1. MGF makes regular donations to charity. These are managed by the Financial Director. No employee should make donations to a charity on behalf of the Company without approval of the Financial Director.

8.2. No donations should be made to charities, political parties or other organisations with the intention of gaining a business advantage.

9. Disciplinary Action

9.1. Any employee found to have offered or accepted a bribe, or who indicates that they may accept a bribe, or who fail to disclose that they have received gifts and/or hospitality will face disciplinary action which could include dismissal for gross misconduct.

9.2. Any disciplinary action will be in accordance with our disciplinary procedure, a copy of which is available in the Staff Handbook. If we regard the gift or hospitality in question to be of anything other than modest in value, the offence will be treated as gross misconduct.

10. Raising Concerns

If any employee is concerned that acts of bribery are occurring in MGF they should inform their Depot Manager/Line Manager in the first instance. If this course of action is inappropriate, the employee should inform another Senior Manager.

11. Communication

All MGF employees should be briefed on the requirements of this policy during induction. This policy will be communicated to all staff via appropriate means and will be included in the Staff handbook.

12. Further guidelines

12.1. When deciding on the appropriateness of giving or receiving a business gift, employees should consider how the gift compares in value to the usual gift-giving practices in our industry and country, the sum of gifts to or from that individual or business over time, the suitability of the gift given the employee's position within the business, the impact of the gift on building positive business relations with the recipient, and how the gift might look to an outsider.

12.2. Any employee who is considering giving or accepting a business gift of more than a nominal value must inform the Financial Director in advance and gain prior approval.

13. Implementation, Monitoring and Review of this Policy

This policy will be reviewed at least annually to see if it needs to be updated and to ensure compliance with statutory requirements. Any queries regarding this policy, or comments, should be addressed to the HR Department.

By signing this document employees confirm that they have been briefed and fully understand this Policy and that they agree to abide by it.

Signed

Name

Date