

Pell Frischmann

ANTI-BRIBERY POLICY

The Company's policy on anti-bribery applies to all companies in the Pell Frischmann Group including any subsidiaries.

The Company is dedicated to ensuring full compliance with all relevant anti-bribery and corruption laws and regulations, including the Bribery Act 2010. Its Anti-Bribery Policy extends to all the Company's business dealings and transactions; in all countries in which it or its subsidiaries and associates operate. A business associate includes employees including retained consultants and agency staff; subcontractors and suppliers, joint venture partners, agents and the Company's subsidiary companies.

The Company Policy is that it prohibits any employee or business associate from paying bribes or offering improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.

The Company's Ethos and Values requires all employees to demonstrate honesty; integrity and fairness in all aspects of their business dealings and exercise appropriate standards of professionalism and ethical conduct in all their activities.

To use a third party as a conduit to channel bribes to others is a criminal offence. We do not; and will not, engage indirectly in or otherwise encourage bribery.

The Company takes bribery and corruption very seriously; and will not tolerate bribery or corruption in any form and has a 'zero tolerance' approach to any breach of this policy. All directors and employees of the Company are required to comply with this Policy.

The Company encourages its employees to report any suspicious activity that may violate this policy. There is a confidential and discrete way to report any violations or suspicious activity that is described below.

Bribery

The offering; promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal or a breach of trust.

It is unacceptable to:

- Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- Give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
- Engage in activity in breach of this policy

Objective of this Policy

This policy provides a coherent and consistent framework to enable Company employees to understand and implement arrangements; enabling compliance. In conjunction with related policies and key documents; it will also enable employees to identify and effectively report a potential breach.

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We require that all employees, including those permanently employed; temporary agency staff, retained consultants and business associates to:

- Act honestly and with integrity at all times and to safeguard the organisation's resources for which they are responsible
- Comply with the spirit; as well as the letter, of the laws and regulations of all jurisdictions in which the Company operates, in respect of the lawful and responsible conduct of activities.

Scope of this Policy

This policy applies to all of the Company's activities. For our business associates, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within the Company; the responsibility to control the risk of bribery occurring resides at all levels of the Company. It does not rest solely within assurance functions; but in all business units and corporate functions.

This policy covers all employees; including all levels and grades, those permanently employed, temporary agency staff, retained consultants, agents, members (including independent members) and volunteers and all the Company's business associates.

Commitment to Action

The Company commits to:

- Setting out a clear Anti-Bribery Policy and reviewing it annually or as required; to ensure it remains relevant and appropriate
- Maintaining an Anti-Bribery Management System to assist in the detection of bribery
- Ensure a systematic approach to risk assessment of the nature and extent of bribery risk associated within the construction industry and global market;
- Making all employees aware of their responsibilities to adhere strictly to this policy at all times
- Training all employees so that they can recognise and avoid the use of bribery by themselves and others
- Provide information to all employees; to report breaches and suspected breaches of this policy
- Encouraging its employees to be vigilant and to report any suspicion's of bribery; providing them with suitable channels of communication and ensuring sensitive information is treated appropriately in a confidential manner to a designated senior manager;
- Ensure that our business associates are fully aware of their responsibility for and are committed to complying with our anti-bribery policy;
- Taking firm and vigorous action against any individual(s) involved in bribery
- Include appropriate clauses in contracts to prevent bribery.

Facilitation Payments

The Company prohibits 'facilitation' or 'grease' payments as these are bribes and illegal. Facilitation payments are commonly small payments made to secure or speed up routine actions; usually by public officials, such as issuing permits, immigration controls, providing services or releasing goods held in customs. It is also our policy that we work to ensure that our agents and other intermediaries; joint ventures and consortia, contractors and suppliers do not make facilitation payments on our behalf. If you have doubts about a payment and suspect that it might be considered a facilitation payment; only make the payment if the official or third party can provide a formal receipt or written confirmation of its legality. If practicable, obtain senior management/legal approval for the payment or consult the Compliance Manager. If the demand is accompanied by immediate threat of physical harm then put safety first; make the payment and report immediately to senior management/legal department, the circumstances and amount of the payment made 'under duress'.

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Gifts, Hospitality and Expenses

The Company prohibits the offer or receipt of gifts; hospitality or expenses whenever they could affect or be perceived to affect the outcome of business transactions and are not reasonable, proportionate and bona fide. All expense claims must be made in accordance with BW117 Expenses.

Whether any corporate hospitality is improper is judged by reference to what a reasonable person in the UK would expect. For example; an invitation to foreign or British clients to attend a rugby match at Twickenham designed to enhance relationships between the parties is certainly not improper. Further examples are in Appendix 1. The 2010 Bribery Act and this policy does not prevent corporate hospitality. It requires a sensible approach to hospitality to be used to ensure that promotional business expenditure that seeks to improve the image, better presents services or establishes cordial relations is reasonable and proportionate.

Charitable Donations

Charitable donations are permitted only to registered (non-profit) charities. No charitable donations may be given to any organisation which is not a registered charity. Charitable donations shall not be used as a substitute for political payments.

All charitable donations must be fully recorded and authorised by a Board Director before the donation is made.

Proof of receipt of all charitable donations must be obtained from the recipient charity. Under no circumstances may charitable donations be made in cash or cash equivalent such as gift vouchers.

No charitable donation may be made at the request of any party where that donation may result in improper conduct.

Political Donations

The Company does not make political donations and the Company is not affiliated with any political party, independent candidate, or with any other organisation whose activities are primarily political.

Employees and other associated parties are free to make personal donations provided such payments are not purported to be made on behalf of the Company and are not made to obtain any form of advantage in any business transaction.

Board of Director Responsibilities

The ultimate responsibility for the Anti-Bribery Management System is with the Board of Directors and the Chief Executive Officer who provides the necessary financial and physical resources; and ensures the Policy is reviewed annually. The Anti-Bribery Policy has the active commitment of our Senior Management Team, who ensures it is communicated to all levels of the Company, monitor the effectiveness of our Anti-Bribery Management System and drive initiatives for continuous improvement.

Staff Responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Company or under its control. All staff are required to avoid activity that breaches this policy.

You must:

- Ensure that you read, understand and comply with this policy
- Raise concerns as soon as possible; if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

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As well as the possibility of civil and criminal prosecution, employees that breach this policy will face disciplinary action, which could result in summary dismissal for gross misconduct.

Raising a Concern

The Company is committed to ensuring that all of us have a safe; reliable, and confidential way of reporting any suspicious activity.

We all have a responsibility to help detect; prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption; please speak up – your information and assistance will help.

If you have any concerns, please contact the Compliance Manager, Linda Roberts via email (LRoberts@pellfrischmann.com) or if you would like to do it anonymously please send your letter to:

Mrs Linda Roberts
Pell Frischmann
5 Manchester Square
London W1U 3PD

In the event of any concern relating to the Compliance Manager or in her absence, please address your concern to a member of the Board of Directors.

In the event that an incident of bribery; corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation.

Staff who refuse to accept or offer a bribe; or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. The Company aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy; even if they turn out to be mistaken. However, if after investigation it is found that any allegation has been falsely or maliciously made appropriate and proportionate disciplinary action will be taken if appropriate in accordance with the Company's Disciplinary Policy.

The Company is committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

If you have any questions about this Anti-Bribery Policy, [then please contact Linda Roberts.](#)

Tushar Prabhu

Tushar Prabhu
Chief Executive Officer
1 May 2017

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Appendix 1

The Bribery Act

There are four key offences under the Act:

- Bribery of another person (section 1)
- Accepting a bribe (section 2)
- Bribing a foreign official (section 6)
- Failing to prevent bribery (section 7)

The Bribery Act 2010 (http://www.opsi.gov.uk/acts/acts2010/ukpga_20100023_en_1) makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place 'adequate procedures' designed to prevent bribery by or of persons associated with the organisation. Guidance on the Act has been issued by the Government <http://www.justice.gov.uk/guidance/docs/bribery-act-2010-guidance.pdf>

Both individuals in their own capacity and corporate bodies can be liable for this offence.

Penalties

An individual or company found guilty is potentially liable for an unlimited fine and/or up to 10 years' imprisonment. Directors could face disqualification proceedings, meaning that they are effectively banned from holding any future office as a director.

Under the EU Public Sector Procurement Directive 2004, corporate bodies may be permanently barred from tendering for Government contracts.

Adequate Procedures

Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case by-case basis. Adequate procedures need to be applied proportionately, based on the level of risk of bribery in the Company.

Proportionate Procedures

Proportionate to the bribery risks it faces and to the nature, scale and complexity of the activities. They should be clear, practical, accessible, effectively implemented and enforced.

Top Level Commitment

The top-level management are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable.

Risk Assessment

The Company assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

Due Diligence

The Company applies due diligence procedures; taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to

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mitigate identified bribery risks. Subcontractor's contracts contain clauses requiring compliance with anti-bribery laws and warranties and all suppliers are vetted for compliance.

Communication (including training)

The bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication; including training that is proportionate to the risk.

Monitoring and Review

The Company monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

The Company is committed to proportional implementation of these principles.

Examples and questions asked about the Act:¹

What is “active bribery”?

Mr Smith gives £1,000 to Mr Taylor in exchange for Mr Taylor bypassing his usual procurement processes and awarding the contract to Mr Smith's company, Beans Limited, both Mr Smith and Beans Limited are potentially guilty of active bribery.

What is “passive bribery”?

In the example above, Mr Taylor would potentially be committing the offence of passive bribery by accepting the £1,000 from Mr Smith.

When is someone liable for “consent and connivance”?

This applies only to senior officers of corporate bodies. A senior officer includes directors, managers, secretaries or other similar positions within the body corporate. Where a senior officer of a corporate body (or a person purporting to act as senior officer) consents to or connives in any offence committed by a corporate body under the offences of active bribery, passive bribery and/or bribing a foreign public official, that senior officer is also potentially guilty of a bribery offence.

Why should I be concerned about the Act?

The Act introduces fundamental changes in anti-corruption laws compared to previous legislation. It used to be the case that a company could only be prosecuted if the bribe was committed by someone who could be considered to be the “directing mind and will” of the company (so it needed to be someone very senior, like a director). Under the Act, it will be possible to prosecute companies for the actions of its junior and mid-level employees as well as senior ones.

Furthermore, there can be personal liability under the Act, especially if you are in a senior position. If you are in an area of work where bribes are more likely to occur (for example, in a sales role), you need to ensure that you are aware of what could be considered as a bribe so that you do not inadvertently breach the provisions of the Act.

What can I do to be alert to bribery?

The key is to consider the motivation behind any offerings. Improper performance of a function or activity is a central concept in the Act. This is defined by reference to whether the function/activity was performed in breach of an expectation of good faith or impartiality or arising from a position of trust. Note that it is

¹ Taken from <http://www.gdlaw.co.uk/news-and-articles/Articles/employment-news/the-bribery-act> - accessed 1/07/11

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irrelevant whether a person knew or believed that the performance was improper so err on the side of caution if you are unsure.

Overseas tender incentives

If local planning law permits a reduction to public procurement costs through cost sharing with prospective contractor's offer of free training, the Government Guidance advises this is unlikely to be considered an offence. The Public Interest aspect of any incentives will also be considered.

Hospitality example

The Guidance gives an example that the provision by a UK mining company of reasonable travel and accommodation to allow foreign public officials to visit distant mining operations to assess security and safety are permissible. However, at the other end of the spectrum, if the UK mining company decided to fly foreign public officials first class with their families to spend a week abroad, ostensibly so the official could attend a meeting, but in fact there was no reason for that meeting to take place, that is likely to trigger section 6 offence.

Case study – Joint Venture²

A medium sized company ('D') is interested in significant foreign mineral deposits. D proposes to enter into a joint venture with a local mining company ('E'). It is proposed that D and E would have an equal holding in the joint venture company ('DE'). D identifies the necessary interaction between DE and local public officials as a source of significant risks of bribery.

D could consider negotiating for the inclusion of any or a combination of the following bribery prevention procedures into the agreement setting up DE:

- Parity of representation on the board of DE
- That DE put in place measures designed to ensure compliance with all applicable bribery and corruption laws. These measures might cover such issues as:
 - gifts and hospitality
 - agreed decision making rules
 - procurement
 - engagement of third parties, including due diligence requirements
 - conduct of relations with public officials
 - training for staff in high risk positions
 - record keeping and accounting
- The establishment of an audit committee with at least one representative of each of D and E that has the power to view accounts and certain expenditure and prepare regular reports
- Binding commitments by D and E to comply with all applicable bribery laws in relation to the operation of DE, with a breach by either D or E being a breach of the agreement between them. Where such a breach is a material breach this could lead to termination or other similarly significant consequences

² Taken from [bribery policy Guidance p35](#)