

	SHEPLEY GROUP BUSINESS ETHICS POLICY	Doc Ref: HR003 Doc Is: 1 Issue Date: 02/2019 Auth-Rev-App CP/ST/NH Page: 1 of 3
---	---	--

Shepley Group (thereafter referred to as “the company”) is committed to conducting its business activities professionally, fairly and with integrity. The company upholds all laws relevant to countering bribery and has made a formal commitment to complying with the requirements of the 2010 UK Bribery Act.

This policy address the business ethical issues associated with bribery, corruption, facilitation, payments, conflicts of interest and the giving and receiving of business gifts and hospitality.

Definitions

Bribery refers to the offering, promising, giving, accepting or soliciting of any inducement for the purpose of retaining or obtaining business or to influence any business decision.

A *Facilitation Payment* is a payment or payments made to induce officials to perform routine functions they are otherwise obligated to perform. These are classed as bribes under the UK Bribery Act and are illegal.

A *Conflict of Interest* is an activity in which personal interests (including the personal interests of relatives and/or friends) may conflict with the interests of the company.

A *Business Gift* is a small token of appreciation designed to mark and enhance business relationships or to promote the giver’s company by incorporating a logo or message on a promotional item such as a calendar or pen.

Hospitality, including entertaining, meals, receptions and entertainment/event tickets (including social or sporting events, music or industry events etc.) is provided for the sole purpose of developing and/or maintaining business relationships and requires a company “host” to be present.

Where no “host” is present, the expenditure may be viewed as an inducement and as such it may be an illegal activity under the terms of the UK Bribery Act.

Principal Rules and Procedures

Bribery & Corruption

The company has a zero tolerance in respect of bribery and corruption. This extends to all of the Company’s business dealings and transactions in which it operates.

As part of this commitment, the company undertakes to comply fully with the requirements of the UK Bribery Act and any anti-corruption laws in place. It should be noted that the UK Bribery Act has “extra-territorial” reach in order to deal with offences committed beyond UK borders.

The direct or indirect offer or receipt of any form of payment or inducement for the purpose of retaining or obtaining a business decision is not acceptable under any circumstances.

Any such occurrence will be treated as an act of gross misconduct which will lead to the implementation of the company’s disciplinary procedures and, if proven, will result in the dismissal of the offender. Such occurrences may also be reported to the appropriate law enforcement authorities for criminal investigation and prosecution.

Any employee who receives an approach of this nature must report it immediately to the HR Team.

Facilitation Payments

Facilitation payments are considered to be bribes and as such are illegal.

It is therefore against company policy for any employee, or agent operating on behalf of the Company, to make any payment which may be suspected as being a facilitation payment. Where doubt exists as to the legality of

  	SHEPLEY GROUP BUSINESS ETHICS POLICY	Doc Ref: HR003 Doc Is: 1 Issue Date: 02/2019 Auth-Rev-App CP/ST/NH Page: 2 of 3
---	---	--

the payment an official receipt should be obtained from the official involved to confirm legality. Senior management approval should be obtained prior to the payment if practicable.

If any demand for facilitation payments is accompanied by an immediate threat of physical harm, or some other unacceptable form of penalty which puts the individual at considerable personal risk, then the payment must be made and the reported at the first opportunity to the HR Team.

Business Gifts and Hospitality

The giving and receiving of business gifts and hospitality can be a fundamental part of building good business relationships and maintaining understanding and goodwill. However, it can, in certain circumstances, also make it more difficult for an individual to be objective in their decision making in respect of the person or organisation providing the gift or hospitality. The potential also exists for doubt to be cast upon the quality of business decisions and ultimately confidence and trust in the company could be undermined.

In more extreme circumstances the gift or hospitality may be classed as a bribe under the UK Bribery Act. Accordingly, employees, and agent's acting on behalf of the company, must not under any circumstances:

- Offer gifts or hospitality with the specific intention of obtaining preferential treatment or influencing the decision making of others
- Accepting gifts or hospitality where there is an expectation from the provider that they will receive preferential treatment in return for the individual or aggregate value of any gifts or hospitality received

However, it is recognised that there may be nothing wrong with the giving and receiving of tokens of appreciation, of nominal value or accepting or giving reasonable hospitality in order to maintain or further a business relationship. In such circumstances, employees, or agent's acting on behalf of the Company, are expected to:

- Exercise good judgement in what is classed as "nominal value" or "reasonable"
- Exercise significant moderation in the acts of giving and receiving

Examples of what could be termed as reasonable hospitality include the following which must be organised and accompanied by a company "host":

- An occasional meal of reasonable expense with a business partner
- Tickets to an ordinary sports event which could include, for example, a football or rugby match
- Tickets to a local theatre
- Tickets to a local cultural or industry event

Examples of gifts or hospitality which would require the express approval of a Director include:

- Any gift, above a token of appreciation, of nominal value
- Any hospitality which includes a significant amount of expense
- Any hospitality which requires significant travel away from the office (including day trips and weekends away)

Other types of gift or hospitality, of any value, which are totally unacceptable include:

- Anything which is illegal or would result in a violation of the law
- Any cash or cash equivalent gift (shares, gift cards, loans etc.) of any value
- Anything which requires something in return for the gift or hospitality
- Any sexually orientated gift or service

  	SHEPLEY GROUP BUSINESS ETHICS POLICY	Doc Ref: HR003 Doc Is: 1 Issue Date: 02/2019 Auth-Rev-App CP/ST/NH Page: 3 of 3
---	---	--

Where there is any level of uncertainty as to whether or not the giving or receiving of a gift or hospitality is appropriate it is better to ask and seek clarification rather to engage in what may be an inappropriate activity which could damage the reputation of both the company and its employees and may result in prosecution under the UK Bribery Act.

Government Employees

No gift or hospitality whatsoever is to be offered to any government or local government official without the express written approval of a Director who will take steps to ensure that no Governmental or statutory practice is breached.

Cultural Etiquette

In some parts of the world the culture in respect of giving and receiving of gifts and hospitality is different to that within the UK. In some countries it is even symbolic of the nature of the business relationship and failure to give or receive an appropriate gift could be viewed as an insult and cause damage to the company. It is therefore very important that the etiquette of giving and receiving is fully researched before visiting any overseas location.

It should be noted, however, that compliance with the requirements of the UK Bribery Act remains the overriding factor and that the act provides for "extra-territorial" reach in order to deal with offences committed by beyond UK borders.

Conflicts of Interest

Employees must avoid any activity in which their personal interests, which would include the personal interests of relatives and friends, may conflict with the interests of the business. Where such circumstances are totally unavoidable, the employee concerned must declare and openly discuss the potential conflict with their Senior Line Manager.

No business agreement with any party is to be entered into until the potential conflict has been reviewed and the approval to proceed authorised by a Director.

Any failure to highlight a potential conflict of interest may be viewed as a failure to disclose information which may affect the reputation of the company and as such could warrant action under the company's disciplinary procedures.