

ETHICS, ETHOS & BUSINESS PERFORMANCE

13. Anti-Bribery

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McFT is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas. This policy outlines McFT's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010. McFT will not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery.

Scope of this policy

This policy applies to all employees and officers of McFT, and to temporary workers, consultants, contractors, agents and subsidiaries acting for, or on behalf of McFT ("associated persons") within the UK and overseas. Every employee and associated person acting for, or on behalf of, McFT is responsible for maintaining the highest standards of business conduct.

Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of McFT.

McFT may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010. All employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time by McFT.

Bribery Act 2010

McFT is committed to complying with the Bribery Act 2010 in its business activities in the UK and overseas.

Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a function or activity; or
- knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

A relevant function or activity includes public, state or business activities or any activity performed in the course of a person's employment, or on behalf of another organisation or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

A criminal offence will be committed under the Bribery Act 2010 if:

- an employee or associated person acting for, or on behalf of, McFT offers, promises, gives, requests, receives or agrees to receive bribes; or
- an employee or associated person acting for, or on behalf of, McFT offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of his/her duties (where local law does not permit or require such influence); and
- McFT does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.

McFT Staff Handbook – individual policy

All employees and associated persons are required to comply with this policy, in accordance with the Bribery Act 2010.

What is prohibited?

McFT prohibits employees or associated persons from offering, promising, giving, soliciting or accepting any bribe. The bribe might be cash, a gift or other inducement to, or from, any person or organisation, whether a public or government official, official of a state-controlled industry, political party or a private person or organisation, regardless of whether the employee or associated person is situated in the UK or overseas. The bribe might be made to ensure that a person or organisation improperly performs duties or functions, (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for McFT in either obtaining or maintaining McFT business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.

Records

Employees and, where applicable, associated persons, are required to take particular care to ensure that all organisation records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative [in accordance with McFT's procurement and risk management procedures].

Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

Working overseas

Principle

Employees and associated persons conducting business on behalf of McFT outside the UK may be at greater risk of being exposed to bribery or unethical business conduct than UK-based employees.

Employees and associated persons owe a duty to McFT to be extra vigilant when conducting international business.

Procedure

Employees and associated persons are required to cooperate with McFT's risk management procedures and to report suspicions of bribery to the Managing Director. While any suspicious circumstances should be reported, employees and associated persons are required particularly to report:

- close family, personal or business ties that a prospective agent, representative or joint-venture partner may have with government or corporate officials, directors or employees;
- a history of corruption in the country in which the business is being undertaken;
- requests for cash payments;
- requests for unusual payment arrangements, for example via a third party;
- requests for reimbursements of unsubstantiated or unusual expenses; or
- a lack of standard invoices and proper financial practices.

If an employee or associated person is in any doubt as to whether or not a potential act constitutes bribery, the matter should be referred to the Managing Director.

Facilitation payments

Principle

McFT prohibits its employees or associated persons from making or accepting any facilitation payments. These are payments made to government officials for carrying out or speeding up routine procedures. They are more common overseas. Facilitation payments are distinct from an official, publicly available fast-track process. Facilitation payments, or offers of such payments, will constitute a criminal offence by both the individual concerned and McFT under the Bribery Act 2010, even where such payments are made or requested overseas. Employees and associated persons are required to act with greater vigilance when dealing with government procedures overseas.

Procedure

Where a public official has requested a payment, employees or associated persons should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, this should be reported immediately to the Managing Director.

If the public official provides written details, the Managing Director will consider the nature of the payment. Local legal advice may be sought by McFT.

If it is concluded that the payment is a legitimate fee, for example part of a genuine fast-track process, or is permitted locally, McFT will authorise the employee to make the payment.

Where the Managing Director considers that the request is for a facilitation payment, the employee or associated person will be instructed to refuse to make the payment and notify the public official that the employee or associated person is required to report the matter to McFT and the UK embassy.

McFT will seek the assistance of the relevant employee in its investigation and may determine that the matter should be referred to the prosecution authorities.

If an employee or associated person has any other concerns about the nature of a request for payment, he/she should report it to the Managing Director using the reporting procedure set out in this policy (and in accordance with McFT's whistleblowing policy).

Corporate entertainment, gifts, hospitality and promotional expenditure

Principle

McFT permits corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:

- for the purpose of establishing or maintaining good business relationships;
- to improve the image and reputation of McFT; or
- to present McFT's service effectively;

provided that it is:

- arranged in good faith, and
- not offered, promised or accepted to secure an advantage for McFT or any of its employees or associated persons or to influence the impartiality of the recipient.

McFT Staff Handbook – individual policy

McFT will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure. This principle applies to employees and associated persons, whether based in the UK or overseas. However, those with remits overseas will be given further training on the specific procedures that they are required to follow.

Procedure

Employees and, where relevant, associated persons should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to the Managing Director.

Employees are required to set out in writing:

- the objective of the proposed client entertainment or expenditure;
- the identity of those who will be attending;
- the organisation that they represent; and
- details and rationale of the proposed activity.

McFT will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. McFT will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).

Any gifts, rewards or entertainment received or offered from clients, public officials, suppliers or other business contacts should be reported immediately to the Managing Director. In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment and employees and associated persons may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real or perceived conflict of interest. As a general rule, small tokens of appreciation, such as flowers or a bottle of wine, may be retained by employees.

If an employee or associated person wishes to provide gifts to suppliers, clients or other business contacts, prior written approval from the Managing Director is required, together with details of the intended recipients, reasons for the gift and business objective. These will be authorised only in limited circumstances [and will be subject to a cap of £50 per recipient]. Employees and, where applicable, associated persons must supply records and receipts, in accordance with McFT's expenses policy.

Charitable and political donations

McFT considers that charitable giving can form part of its wider commitment and responsibility to the community. McFT supports a number of charities that are selected in accordance with objective criteria, following a risk assessment. McFT may also support fundraising events involving employees however McFT does not make donations to any political parties/charities. Employees and associated persons are not permitted to make any charitable and political donations to organisations on behalf of McFT.

What practices are permitted?

This policy does not prohibit:

- normal and appropriate hospitality and entertainment with clients (please see McFT's expenses policy); and
- the use of any recognised fast-track process that is publicly available on payment of a fee.

Any such practices must be proportionate, reasonable and made in good faith. Clear records must be kept.

McFT Staff Handbook – individual policy

Risk management

Principle

McFT has established detailed risk management procedures to prevent, detect and prohibit bribery, and will conduct risk assessments for each of its key business activities on a regular basis. Where relevant, McFT will identify employees or officers of McFT who are in positions where they may be exposed to bribery.

Procedure

McFT will identify high-risk areas, for example projects undertaken in high-risk countries, tenders for work and those working on high-value projects.

McFT will:

- regularly monitor "at risk" employees and associated persons;
- regularly communicate with "at risk" employees and associated persons;
- undertake extensive due diligence of third parties and associated persons; and
- communicate its zero-tolerance approach to bribery to third parties, including actual and prospective customers, suppliers and joint-venture partners.

Reporting suspected bribery

Principle

McFT depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Employees and associated persons are requested to assist McFT and to remain vigilant in preventing, detecting and reporting bribery.

Employees and associated persons are encouraged to report any concerns that they may have to the Managing Director as soon as possible. Issues that should be reported include:

- any suspected or actual attempts at bribery;
- concerns that other employees or associated persons may be being bribed; or
- concerns that other employees or associated persons may be bribing third parties, such as clients or government officials.

Procedure

Any such reports will be thoroughly and promptly investigated and recorded by the Managing Director in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected bribery.

Employees will also be required to comply with the Company's whistleblowing policy.

Employees or associated persons who report instances of bribery in good faith will be supported by McFT. McFT will ensure that the individual is not subjected to detrimental treatment as a consequence of his/her report. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence. An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, employees and associated persons should not agree to remain silent. They should report the matter to the Managing Director.

Action by the Company

McFT Staff Handbook – individual policy

McFT will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. McFT will invoke its disciplinary procedures where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. McFT may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, McFT who are found to have breached this policy.

McFT may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the police. McFT will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

Review of procedures and training

McFT will regularly communicate its anti-bribery measures to employees and associated persons. McFT will set up training sessions where applicable. The Managing Director is responsible for the implementation of this policy.

The Managing Director will monitor and review the implementation of this policy and related procedures on a regular basis, including reviews of internal financial systems, expenses, corporate hospitality, gifts and entertainment policies.

Employees and those working for, or on behalf of, McFT are encouraged to contact the Managing Director with any suggestions, comments or feedback that they may have on how these procedures may be improved.

McFT reserves the right to amend and update this policy as required. For the avoidance of doubt, this policy does not form part of employees' contracts of employment.