

Morgan Sindall Corporate policy

Bribery Prevention

Revision Schedule

Rev. No.	Date	Details of change
Rev 1	Oct 11	Integrated Management System merger.
Rev 2	Dec 12	Updated sections 3.1, 4.2 and inserted section 6
Rev 3	Nov 14	Policy sign off amended to reflect exec team leadership changes
Rev 4	Dec 14	Updated section 3.1, 3.2 and inserted 3.3 in line with the formal anti-bribery management system requirements of BS 10500
Rev 5	Feb 15	Reviewed and updated to recognise change in Compliance Manager role
Rev 6	May 16	Periodic policy review, content reviewed for continued suitability and content considered appropriate/fit for purpose – no technical changes identified

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1.0 Purpose

To reconfirm the commitment of the Executive Board of Morgan Sindall that the company will take all necessary steps to ensure that the company conducts its business in a spirit of integrity and that no act of bribery by any person either employed by or acting as an agent of the company will be allowed or tolerated.

2.0 Scope

This policy applies to all employees whether permanent, on short-term or fixed-term contract and individuals on secondment, workers or consultants acting for and on behalf of the company including any 'associated' person (which includes both incorporated and unincorporated bodies) performing services or on behalf of the company (for example subcontractors, suppliers, consultants and temporary staff).

3.0 Responsibility and policy

3.1 Responsibility

The day to day responsibility for overseeing compliance with the Bribery Prevention Policy and the Bribery Prevention processes and procedures are :

- Implementation of Bribery Prevention processes and procedures – Compliance Manager
- Adherence of Bribery Prevention processes and procedures – all Employees
- Monitoring, upgrade and maintenance Bribery Prevention processes and procedures – Director of HR / Commercial Directors
- Compliance Manager – Head of Internal Audit

3.2 Policy

Morgan Sindall is fully committed to conducting its business with the highest level of integrity and honesty and will put into place proportionate processes and procedures to prohibit acts of bribery; operate with due diligence; assess ongoing risks in a changing marketplace and seek to identify any employee, agent or associate working on its behalf who is involved in any act of giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so – which is bribery. The processes implemented shall be reasonable and proportionate having regard to the nature and extent of bribery risk that Morgan Sindall faces taking into account the :

- a) Size of the organization;
- b) Countries and sectors in which the organization operates;
- c) Nature, scale and complexity of the organisation's activities and operations;
- d) Organisation's existing and potential business associates; and
- e) Applicable statutory, regulatory, contractual and/or professional obligations and duties.

Those who are found to be involved in any bribery activity will be subject to disciplinary action within the company's disciplinary and dismissal policy. Actions considered to fall under the definition of bribery may be classed as gross misconduct leading to summary dismissal from the company.

3.3. Mandatory Disclosure

There are on occasions where a member of staff, acting as a private citizen, wishes to enter into a contract with a supplier or subcontractor who is also a recognized supplier or subcontractor of Morgan Sindall with the intention of paying personally and in full for the services rendered to him or her. In order to enable this type of transaction to take place and in the spirit of openness and transparency and to avoid any bribery risk a mandatory disclosure form is provided. This enables the member of staff to record such transactions, complete with costs and if requested proof of payment.

The form must be signed off by the business unit managing director and will thereafter be kept in the employee's personnel file.

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We require our employees to perform their duties honestly and to avoid conflict between any personal financial or commercial interests and their responsibilities to Morgan Sindall. Any potential conflicts of interest must be discussed and disclosed with management.

Any member of staff who has a financial interest in a company within the construction sector, other than Morgan Sindall, or who has a personal relationship with a person who is employed by another company within the construction sector, should disclose that information to Morgan Sindall as a potential conflict of commercial interest. Personal relationships include parents, siblings, spouse, common law spouse, civil partner or partner, or such other individuals who, in the reasonable opinion of the company would be considered as falling within this category.

4.0 Bribery terms

Four distinct categories of commercial bribery are identified by the Bribery Act 2010 which, if breached may form a criminal act the maximum sentence for an individual being 10 years' imprisonment.

1. Active bribery – the offering, promising or giving of a bribe.
2. Passive bribery – the requesting, agreeing to receive or accepting of a bribe
3. The bribing of a foreign public official in order to obtain or retain business or an advantage in the conduct of business.
4. Payment of facilitation payments (small unofficial payments paid to speed up an administrative process or secure a routine government action by an official).

This clearly covers seeking to influence a decision-maker by giving some kind of extra benefit to that decision maker rather than by what can legitimately be offered as part of a tender or other selection process.

4.1 Active and passive bribery

It is an offence under the Bribery Act and therefore totally unacceptable within the company to offer, promise or give a financial or other advantage to another person whether an employee or its agent (for example representative, supplier, consultant or subcontractor) either:

1. Intends the advantage to bring about the improper performance by another person of a relevant function or activity or to reward such improper performance or
2. Believes that the acceptance of the advantage offered, promised or given in itself constitutes the improper performance of a relevant function of activity.

The term 'improper performance' means a breach of an expectation that a person will act in good faith, impartially or in accordance with a position of trust. The test of whether a function or activity has been performed improperly is based on what a reasonable person in the UK would expect in relation to the performance of that function or activity. Therefore, it relies on a common sense understanding of moral and ethical behaviour which is also clarified in the Morgan Sindall Code of Ethics in the Workplace policy.

In this context hospitality, or a gift, offered to a third party must be such that it cannot be shown to be a breach of an expectation that a person would act in good faith, impartially or in accordance with a position of trust and must be perceived by all to be a public relations exercise designed to cement good relations and not show an intent to induce improper performance.

4.2 Bribery of a foreign public official

The action of bribing a foreign public official is where an employee or agent of the company promises or gives a financial or other advantage to a foreign public official (or another person as his/her request) with the intention of influencing the official in the performance of his or her public function and therefore seeking to obtain or retain business or gain an advantage in that business.

The offer of travel to foreign public officials, where the offer is, or could reasonably be perceived to be for the purpose of bribery is prohibited.

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Any employee who has commercial connections with foreign officials should ensure that they fully comprehend this aspect of the Bribery Act 2010.

4.3 Facilitation payments

Facilitation payments are typically small unofficial payments paid to speed up an administrative process or secure a routine government action by an official. They are more common in certain overseas jurisdictions, but it is possible that they could arise in the UK.

Examples of when such payments may be requested include:

- To obtain or expedite a permit, licence or other official document or approval
- To obtain or expedite the loading and unloading of goods at a port or airport
- To secure police protection for a site against risk of theft or arson
- To facilitate mail pick-up and delivery
- To facilitate provision of utilities to a site, such as connecting water, electricity, gas or telephone services
- At border controls or crossings to allow safe or prompt entry or exit from a jurisdiction

Facilitation payments should be contrasted with official, lawful, receipted payments (typically to an organisation rather than an individual) to expedite certain functions (e.g. where there is a choice of fast track services to obtain a passport).

Morgan Sindall's policy strictly prohibits any kind of facilitation payments made by employees, agents or third parties acting on its behalf.

If you are unsure as to the validity of an official's request for a payment, the steps below should be followed as far as they are applicable and as far as it is possible for you to do so without putting your personal safety or security at risk:

- if possible contact your line manager or supervisor immediately
- ask the official for proof of the validity of the fee
- request that a receipt be provided confirming the validity of the payment
- if no proof of validity will be provided, politely decline to make the payment and explain you cannot make the payment because of company policy and anti-bribery laws
- if possible ask to see the official's supervisor
- make a full note of the request, the circumstances and the parties involved
- at all times remain calm, respectful and polite

If you find you are in fear for your safety or at risk of loss of liberty, do not refuse the payment.

In all circumstances report any demand for facilitation payments immediately to the Commercial and Financial Directors.

5.0 Failure of commercial organisations to prevent bribery

In addition Morgan Sindall as a commercial organisation must make provisions and implement adequate procedures that defend it so that it does not fail to prevent anyone performing services on its behalf from committing bribery.

In order to fulfill its responsibilities under the six operating principles identified in this legislation the company will:

1. Assess current internal procedures to ensure that identified bribery risks are mitigated in proportion to the risk exposed, as well as preventing deliberate unethical conduct by associated persons.
2. Continue to foster a culture of integrity where bribery is never acceptable and a commitment to carrying out business fairly, honestly and openly such that our employees and those carrying out business on our behalf are aware of our ethical stance and that our reputation with our customers

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and stakeholders remains honorable. Included in this commitment is the provision of a confidential helpline to enable the reporting of any act or suspected act of bribery by another party.

3. Continually assess the risks posed to our company in a changing market place to assess the nature and extent of potential exposure both externally and internally. Such risk assessment to be carried out by appropriately qualified employees or agents and properly documented.
4. Undertake appropriate due diligence procedures in respect of those who currently perform or who will in future perform services for and on behalf of the company in accordance with good corporate governance and in order to ensure that appropriate and proportionate measures can be introduced to prevent any associate of the company entering into bribery on the company's behalf.
5. Ensure that the company's Bribery Prevention policy is understood throughout the organisation and to others performing services for the company, training and awareness raising in proportionate measure to the risks faced.
6. Monitor and review the various procedures and policies designed to prevent and detect bribery and making relevant improvements.

6.0 Action to be taken to report bribery related concerns.

Any employee who has any concerns about potential bribery should, in the first instance, report it to their line manager, who should seek appropriate advice from a senior member of staff such as the Commercial Directors, HR Director or Head of Internal Audit. If a member of staff prefers to report a Bribery Act issue direct, this should be to the Morgan Sindall Commercial Directors or HR Director. Alternatively, the company's "Raising Concerns" whistleblowing helpline can be used to report issues anonymously. Further details of this helpline are available on the company's intranet and on notice board posters in all areas of the business.

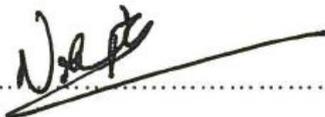
7.0 Code of Ethics in the Workplace

This policy should be read in conjunction with the above booklet which identifies other policies which relate to the company's ethical stance on business activities (available on the intranet or from the HR function).

8.0 Overview

The above policy gives an overview which in the case of most employees will adequately explain and cover the company's and individuals' requirements. This document does not attempt to describe the law in detail and should not be taken as an authoritative statement of law. For more detailed information or if in doubt about any of these issues, contact your HR Manager or Commercial Director.

Signed



Nick Fletcher
Managing Director – Infrastructure

Signed



Pat Boyle
Managing Director - Construction

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