



## **Anti-Bribery, Anti-Fraud and Corruption Policy**

### **Introduction**

The Michael Lonsdale Group inclusive of (Michael Lonsdale Ltd, Michael J Lonsdale Ltd, Michael J Lonsdale Electrical Ltd, E7 Building Services Ltd), will not accept any form of bribery or corrupt activity within its business. All employees, agency workers, contractors and any third parties acting on its behalf or providing services, must be aware of the contents of this policy. It will form part of the induction process.

The aim of this policy is to prevent, deter and detect forms of fraud, bribery and corruption committed against the Group. Where fraud is suspected, the Group will take direct action. All cases will be thoroughly investigated and dealt with appropriately. The form of action taken will depend on the level and circumstances of the fraud, bribery or corruption discovered and may include disciplinary procedures, dismissal and/or criminal prosecution and termination of contract.

### **Fraud**

Fraud is defined as the use of deception to deprive, disadvantage or cause loss to another person or party. This can include theft, the misuse of funds or other resources or more complicated crimes such as false accounting and the supply of false information.

The Fraud Act 2006 introduced three main offences. They are as follows:

- fraud by false representation - e.g. lying on a CV to obtain employment
- fraud by abuse of position - e.g. a manager uses their position to siphon off funds
- fraud by failing to disclose information - e.g. not declaring an unspent criminal conviction in order to obtain employment.

Other examples of fraud that might occur include:

- falsification of expense claims
- theft of cash or other company assets or stock
- falsification of invoices for payment
- failure to account for monies or invoices paid
- pretending to be a qualified engineer or other professional

An individual who commits fraud will face disciplinary action, civil action and/or criminal prosecution. If found guilty of fraud in a criminal court, an individual may receive a custodial sentence of up to ten years.

### **Bribery**

Bribery is a financial or other advantage that is intended to induce "improper performance" of a position of trust or a function that is expected to be performed impartially or in good faith. Bribery



does not have to involve cash, or an actual payment exchanging hands and can take many forms such as a gift (i.e. lavish treatment during a business trip or tickets to an event).

Bribery does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.

The Bribery Act 2010 provides the four main offences:

- giving or offering a bribe
- receiving or requesting a bribe
- bribing a foreign public official (also known as facilitation payments)
- negligently failing to prevent a bribe (corporate offence).

Under the Bribery Act, an offence has been committed even if no money or goods have been exchanged and a bribe has no minimum value.

By way of illustration these are situations where bribery concerns will arise:

- cash or cash equivalents (for example, gift vouchers or securities) are offered or requested by a representative of an organisation with whom the Group conducts business;
- a loan is offered or requested by a representative of an organisation with whom the Group conducts business - the loan need not be to a person whose conduct is sought to be influenced or rewarded; it may be made to a third party (for example an associate or family member);
- the giving or receiving of gifts valued in excess of applicable limits (for example, laptops, mobile phones, cameras) to or from an actual or prospective customer, client or business partner of the Group;
- lavish or extravagant corporate hospitality, or hospitality which although of a lower value is offered frequently and involves the same guests;
- the provision of favours (for example, job offers, internships or work experience; the use of a holiday home) requested or offered by a person for their benefit or the benefit of their associates or family members;
- charitable contributions or donations to political parties or candidates for political office which are solicited by a third party who relates to an actual or prospective client, customer or business partner of the Group.

## **Situations in practice**

### ***Gifts and hospitality***

It is important to note that low value gifts (for example, items bearing the corporate logo or promotional material such as calendars) and hospitality (for example tickets to cultural or sporting events) may be offered or accepted provided:

- they are not intended to influence nor could be perceived as being capable of influencing the recipient to act improperly;
- do not place the recipient under any obligation;
- are commensurate with the reasonable and proportionate norms for the industry in which the Group is operating.



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Whilst most gifts and hospitality are sufficiently modest in value and in the ordinary course of business that they do not require prior approval, the giving or receiving of unusually lavish or extravagant gifts or hospitality are prohibited unless prior written approval has been received in accordance with the Group's procedures.

Where you are unsure as to whether to accept a gift or hospitality you must immediately inform your line manager who will advise you on next steps.

### ***Charitable contributions***

A charitable contribution includes not only a direct payment to a charity, but also the sponsorship of individuals undertaking an activity to raise money for a charity. Charitable contributions which are to be made by the Group must only be given to purely charitable organisations for proper charitable purposes; in no circumstances should a contribution intended for charity be made to an individual rather than the charity which the Group is supporting.

### ***Political donations***

Political donations include donations made to a political party, to any other political organisation (an organisation which carries on or proposes to carry on activities that could be reasonably regarded as intended to affect public support for any political party) or to a candidate for political office. Such donations are only to be made with Board approval.

### **Prevention and Monitoring**

All employees, agency workers, contractors and any other third parties will need to make themselves familiar with the policy in order to understand their responsibility. When new business relationships are to start with any third party; a due diligence review will take place considering reputation, beneficial ownership, professional capability, experience and financial standing. The Director would be ultimately responsible for the decision to engage with a new supplier, but all employees are expected to consider their engagement with a new organisation and raise any concerns that they may have.

It is the responsibility of all employees and the lead Manager and/or Director to monitor ongoing activities with third parties and business for any type of concern that could be deemed fraudulent or corrupt.

There are other company policies and procedures that support the business in preventing fraud, bribery and corruption. These include:



- Gifts and Hospitality Policy
- Procurement Processes
- Whistleblowing Policy
- Conflict of Interest process (see handbook)

## Reporting Fraud

All employees, agency workers, contractors, consultants and any third party that works with the Group is encouraged to report incidents of suspected fraud, bribery and corruption immediately. Any delay in reporting suspected fraud, bribery and corruption may result in further losses.

In the first instance, individuals should normally raise the concern with their line manager. If the concern relates to a line manager, the matter should be raised with a director and if it relates to a director, the concern should be raised with the Managing Director.

Anyone concerned about a wrongdoing that threatens the public interest can seek free, confidential legal help from the charity 'Public Concern at Work'. They operate a helpline on 0207 404 6609 and can be emailed at [helpline@pcaw.co.uk](mailto:helpline@pcaw.co.uk). See further information in the Whistleblowing Policy.

On receipt of a complaint or concern an investigation plan will be implemented normally carried out by a Director. Where an issue is of a criminal nature the relevant authorities will be informed immediately.

## Guidance to individuals who suspect bribery, fraud or corruption.

Do:

- Stay calm - remember you are a witness not a complainant.
- Write down your concerns immediately- make a note of all relevant details such as what was said in 'phone or other conversations, the date, the time and the names of anyone involved.
- Do report your concerns as soon as possible as any delay may cause the Group to suffer further financial loss. We encourage you to raise your concerns - the Public Interest Disclosure Act 1998 protects employees who have reasonable concerns. You will not suffer discrimination or victimisation by following the correct procedures.

Don't:

- Investigate the matter yourself. Attempting to gather evidence yourself (unless it is about to be destroyed) may result in it becoming inadmissible and prejudice any criminal investigation. The gathering of evidence must be done in line with legal requirements for it to be admissible in court.
- Approach the person involved (this may lead to him/her destroying evidence).
- Discuss your suspicions with anyone other than your line manager or Director unless specifically asked to do so by them. Confronting the suspect or conveying concerns, to anyone

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other than those authorised, could alert the suspect or lead to an innocent person being unjustly accused.

- Use the process to pursue a personal grievance.

Remember:

- You may be mistaken or there may be an innocent or good explanation - this will come out in the investigation.
- The process may be complex and protracted. Investigations are carried out in confidence on a need to know basis. You will be updated as and when it is appropriate to do so; do not be alarmed if you have not heard anything from the investigators.

## **Competition Law:**

To maintain compliance with competition law, we ask our business partners to strictly refrain from engaging in conduct such as that described below.

- Colluding with competitors to fix prices, production quantities, etc.
- Dividing and allocating markets or customers
- Rigging bids
- Obstructing trade
- Using a position of advantage to interfere with or exclude the activities of another business operator
- Restricting selling prices

Name: Gary Herbert

For and on behalf of the Michael Lonsdale Group Board of Directors

Position: Managing Director

Signature:

Date: 29th June 2020



## Procedures on Gifts, Hospitality, Travel and Accommodation

### Introduction

1. The receiving and giving of gifts and hospitality play an important role in building business relationships, but if they are lavish or extravagant or are frequently provided to the same individual, they may be considered improper (or have the appearance of being improper). Please see the Anti Bribery, Anti-Fraud and Corruption Policy for further detail on the procedure around identifying and managing these situations.

### Gifts and entertainment

2. The following types of gifts and hospitality are not allowed and will not be approved:
  - if they are for a purpose other than to build a business relationship or to offer normal courtesy;
  - if they are of an excessive nature or so frequent that it would place the recipient under an obligation;
  - if they involve the payment of cash or a cash equivalent;
  - if they would create a real or perceived conflict of interest;
  - if they are "quid pro quo" (offered for something in return);
  - if they were paid for personally by members of staff to avoid having to report or seek approval which would otherwise be required under these procedures;
  - if it may cause embarrassment to the Group and/or bring its reputation into disrepute

### Examples of gifts travel, hospitality that require approval.

3. Significant gifts/hospitality (e.g. entertaining at what may be regarded as 'elite' restaurants or resorts or invitations to obviously special sports events (for example, Wimbledon finals)) require additional review so any gifts or hospitality (whether given or received) that exceed the maximum limits stipulated in the table below, will require prior written approval by the relevant person(s) listed in the table.



## Procedures on Gifts, Hospitality, Travel and Accommodation

### Maximum value thresholds requiring prior approval

Type	Maximum Limit	Approval Required by Board
Meals per head	£150	Yes
Hospitality Packages	£350/head £3000 aggregate per event	Yes
Non- cash gifts	£50 (note :entertainment at which a host is not present will be regarded as a gift)	Yes
Tickets alone (not part of hospitality package)	£150 each	Yes
Cash gift	No permitted (see below for exceptions)	
Travel and Accommodation	Approval always required unless to be paid in accordance with existing contractual arrangements	Yes

4. These limits will be subject to periodic review and may be amended upwards or downwards. In setting these limits, it does not mean that gifts or hospitality of a lower value to those specified above will not infringe these Procedures or the ML Group's Anti-Bribery, Anti-Fraud and Corruption Policy. It is important to consider the policy alongside this table. It is the responsibility of the employee to consider the various issues highlighted in these procedures and to seek advice if in doubt.
5. Once approval has been sought, this should be included with any payment request and/or expenses claim form.

### Returning gifts

6. Where possible, gifts should be returned if they do not adhere to the level and approval within this policy. The receipt of such gifts should be reported to the Approval Board and a decision will be taken whether to return to the donor or, if it would cause offence to decline it, it may be possible to allow the gift to be;
  - Retained by the recipient
  - Retained for the benefit of the entire Company
  - Donated to Charity or sold with the proceeds given to Charity.



## **Procedures on Gifts, Hospitality, Travel and Accommodation**

### **Cash or Gifts over the maximum limit**

7. Provided that the following do not give rise to concerns of improper conduct/corruption, the following gifts are permissible and do not need to be approved:
  - gifts of a purely personal nature in relation to occasions such as a wedding, birth of a child or retirement provided that the following conditions are met:
    - o where given by a member of staff, it must be paid for by the member of staff personally and the Company must not reimburse them
    - o personal relationship must exist between the people giving and receiving the gift
    - o the gift is not given for the purpose of obtaining or retaining business or securing an improper business advantage; and
    - o (the nature of the gift must be considered normal and appropriate for the occasion; and
  - family related gifts or bequests.
  
8. If any employee is in doubt, please speak to your line manager.

Name: Gary Herbert

For and on behalf of the Michael Lonsdale Group Board of Directors

Position: Managing Director

Signature:

Date: 29<sup>th</sup> June 2020