



MCBRIDE PLC

ANTI-BRIBERY AND CORRUPTION COMPLIANCE POLICY



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STATEMENT FROM RIK DE VOS, CHIEF EXECUTIVE OFFICER

McBride plc has a zero tolerance policy in relation to bribery and corruption. We are committed to carrying out business fairly, honestly and openly. We conduct our business in accordance with the highest business standards and will not act in any way which might reflect adversely upon the integrity and goodwill of the Group.

It is our objective to comply with the UK Bribery Act 2010 (the "Act"). This Act applies to those doing business in the UK as well as to associated persons and companies doing business abroad. Our Compliance Policy therefore extends to all the Group's business dealings and transactions in all countries in which it or its subsidiaries and associates operate. This policy is given force in a detailed anti-bribery programme which will be regularly revised to capture changes in law, reputation demands and changes in the business. All directors and employees are required to comply fully with this Compliance Policy.

The Act's main offences are very broad and are based around the idea of a bribe being an inducement or reward for someone performing their job improperly. An offence can be committed by a **recipient** of an "advantage", where acceptance in itself constitutes improper performance of their job, and by the person **offering** the "advantage".

Violation of the Act could subject the Group, its officers and / or employees to severe penalties, including fines and imprisonment. It could also be very damaging to the Group's business and reputation. No compensation will be made to any employee for payments made in connection with criminal acts.

The purpose of this Compliance Policy is to make sure that you do not fall foul of the law or break the Group's rules. Whilst I do not expect you to become experts in the Act, you are required to become familiar with this Compliance Policy and to comply with the standards of conduct described here. Officers and employees are required to seek advice from one of the Group's Anti-Corruption Compliance Officers, either the Company Secretary or the Head of Internal Audit, with respect to any business activities, whether existing or proposed, that could raise an issue under the Act. If you have any questions or concerns, please speak to either of the Anti-Corruption Compliance Officers in the first instance.

Everyone is required to comply with this policy and failure to do so may result in disciplinary action. However, no officer or employee will suffer demotion, penalty, or other disciplinary action or adverse consequences for refusing to pay bribes. It is recognised that refusal to pay bribes could result in the Group losing business. Should you encounter such a situation, you should report immediately to one of the Anti-Corruption Compliance officers.

Your careful attention and co-operation in complying with this Compliance Policy will help to protect the Group, your colleagues, and you.

Rik de Vos
Chief Executive Officer



COMPLIANCE POLICY STATEMENT

The objective of this Compliance Policy is to seek to ensure the prevention, identification and earliest possible detection of any potential **bribery** (the offering, promising, giving, accepting or soliciting of an advantage as an *inducement* for an action which is *improper or a breach of trust*) or **corruption** (the misuse of entrusted power for private gain) issues for the Group.

This Compliance Policy has been prepared for you because you need to know all the legal requirements under the Act and the consequences of failing to comply. This does not mean that you should refrain from doing your job. On the contrary, you are expected to perform your duties on behalf of the Group in accordance with the Group's high business standards of integrity and goodwill. This includes an obligation to be vigilant against any breaches of this Compliance Policy.

You must not under any circumstances promise, offer, give, solicit or receive a bribe at any time during your employment with the Group, whether for your benefit or a member of your family, friends, associates or acquaintances. Bribes are not limited to monetary payments. They can also include gifts or hospitality or other advantage where the intention is to influence improperly the recipient.

The Act has a broad scope and extra-territorial reach, meaning that any of the Group's officers or individual employees can be prosecuted for bribery offences committed anywhere in the world.

The consequences of failing to comply with the Act are serious. Bribery and corruption is punishable for individuals by up to 10 years imprisonment and the Group could face an unlimited fine and face serious damage to its reputation and business. **No compensation will be made to any employee for payments made in connection with criminal acts.**

The Group has identified four key areas of risk where employees may encounter instances of bribery and corruption: gifts and corporate hospitality, high risk jurisdictions & facilitation payments and dealings with third parties, including (Foreign) Public Officials (**FPOs**). These areas are outlined in further detail in the following sections to provide guidance on what to look out for and the business conduct expected of you by the Group.

If you suspect bribery or corruption is or has the potential to take place, **you should contact one of the Group's Anti-Corruption Compliance Officers.**

The Group also has a Whistleblowing Policy under which disclosures of any criminal offences, including corruption, and other impropriety may be made. A copy of this policy is available on the Company's intranet and on the Company's website – www.mcbride.co.uk.

Responsibilities

The Chief Executive Officer and the Executive Leadership Team are ultimately responsible for ensuring that the Group operates in accordance with this policy. Managers other employees with supervisory responsibility have a duty to ensure that not only they but also those under their supervision are aware of and comply with these guidelines.

All employees are responsible for the success of this policy and should ensure that they use it to disclose any suspected bribery or corruption.

Your time spent reviewing this Policy is very much appreciated by the Group, and your colleagues, and your adherence to the rules and procedures described here are a key requirement of your role at McBride plc.

Please now consider the following pages to this Compliance Policy and then sign and date the declaration at the end of this document and return it to the Company Secretary, Carole Barnet, at the Middleton office or by email: c.barnet@mcbride.co.uk.



This policy was reviewed and approved by the ELT on 18th July 2017 and is signed on their behalf by:

.....
Rik de Vos
Chief Executive Officer

.....
Chris Smith
Chief Finance Officer

.....
Carole Barnet
Company Secretary



Gifts and Hospitality

A bribe includes any type of “advantage” whether it has monetary value or not. It can therefore include gifts, corporate hospitality, donations, favours or even providing information.

During the course of their dealings with the Group's customers, business contacts etc, officers and individual employees may be offered gifts and hospitality. Similarly, officers or individual employees may wish to provide gifts or hospitality to their customers or business contacts.

The Group prohibits the giving or receiving of any gifts, hospitality or other expenses that could *influence or be perceived to be capable of influencing* a contractual or material transaction.

The Group recognises that hospitality is an important part of building relationships with its customers, business contacts etc and should be encouraged. **Sensible and proportionate** hospitality provided for a legitimate purpose is therefore permissible. However, hospitality which is lavish, provided too frequently or leaves the recipient in a position of obligation may indicate the existence of an *improper* purpose.

The Group's **Gifts and Hospitality Policy** sets out the Group's policy and procedure for this area in more detail and should be read in conjunction with this Compliance Policy. A copy of the policy can be found on the Group's intranet and on the Group's website – www.mcbride.co.uk.

In summary, it is paramount that you:

DO NOT have any discussions with customers, business contacts etc about any gift, hospitality or consideration of any kind which could act as an *inducement or reward* to any person:

- for doing or not doing (or for having done or not done) any act in relation to the obtaining, retention or execution of any business in relation to which the Group is involved;
- for showing or not showing favour or disfavour to any person in relation to any business in relation to which the Group is involved.

DO NOT provide any gifts or hospitality to any client, business contacts etc of the Group without obtaining the appropriate approval in accordance with the Group's Gifts and Hospitality Policy.

DO NOT accept any gifts or hospitality from any client, business contacts etc if it places you in a position of an *obligation*.

DO consider the *timing* of any gift or hospitality provided or received and how that may be perceived by a third party.

DO *record* any gifts or hospitality provided or received in the Gifts Register and complete any Declarations as and when required by the Group.



Dealing with Agents / Suppliers / Third Parties

In relation to this risk area it is important to understand the concept of the Act's '**Associated Persons**' as the Group may be liable for any acts of bribery committed by them. An Associated Person is any individual, whether by themselves or acting through an organisation might be capable of committing bribery on the company's behalf. This includes employees, agents, immediate subcontractors and other third party intermediaries who provide services to the Group. Please note an entity which simply supplies goods, as opposed to services, is unlikely to fall within the definition of an Associated Person.

For this reason, it is essential that the Group knows with whom it is doing business. Due diligence is essential when appointing suppliers and third parties and needs to be repeated at regular intervals.

It is the Group's policy only to conduct business with suppliers and other third parties that have been approved following adequate due diligence. In order to avoid the Group being liable for the actions of suppliers and other third parties, it is essential that you:

DO NOT enter into any agreement or other arrangement with any supplier or other third parties unless an *appropriate and proportionate* risk assessment and due diligence exercise has been undertaken and documented.

DO NOT agree any additional terms regarding the level of payment or commission with suppliers or other third parties which are not already contained in the agency/supply agreement without following the procedures as set out in the Group Credit Policy and Group Authorities Manual.

DO NOT accept any invoices from any suppliers or other third party in respect of commission payments due, which do NOT contain:

- details of the supplier/relevant third party and the matter to which the commission relates;
- details of the calculation of the commission payable to the supplier/third party; and
- details of any VAT or other tax payable by the Group in respect of the commission;

DO NOT make payments to any party other than the supplier/third party who provided the services under the terms of the agency / supply agreement.

DO ensure that any agency/supply agreement with the Group contains appropriate anti-corruption clauses. Please refer to the Company Secretary for further guidance.

DO contact one of the Anti-Corruption Compliance Officers if you identify any abnormally high or unusual payments or expenses (eg payments made to unusual addresses or offshore bank accounts).



Overseas travel to high risk jurisdictions & facilitation payments

There will be occasions where it will be necessary for officers and individual employees to travel overseas for business purposes to jurisdictions where there is a high risk of bribery and corruption occurring. Countries such as Angola, Indonesia, Nigeria, Uzbekistan, Russia and Iraq are included in the high risk category.

Often, the risk of corruption will present itself in the form of a request from a local public official for a small cash payment to secure or speed up routine actions (eg issuing permits, immigration controls, providing services or releasing goods held in customs), to *induce or reward* them to give preferential treatment or to encourage them to *perform a task improperly*.

The Group prohibits these "facilitation", "grease", or "kickback" payments as they are bribes and illegal. The Group works to ensure that our suppliers, contractors and other third parties do not make facilitation payments on our behalf.

As practical guidance you should adhere to the following:

DO NOT make a payment if requested to do so if you have any doubts about a payment and suspect that it might be considered a facilitation payment, unless the official or third party can provide a formal receipt of written confirmation of its legality.

DO NOT engage in any activity that might lead to, or suggest, that a facilitation payment will be made or accepted by us.

DO discuss the risk of corruption with one of the Anti-Corruption Compliance Officers if you are due to travel to a high risk jurisdiction;

DO ensure that your travel itinerary is arranged to accommodate any delays (eg at customs) caused by a refusal to pay.

DO, if practicable, obtain prior approval from one of the Anti-Corruption Compliance Officers for the payment. If the demand is accompanied by immediate threat of physical harm then you should ensure your safety first, make the payment and report it immediately to one of the Anti-Corruption Compliance Officers.



Dealing with (Foreign) Public Officials

The Group expects you to exercise great care when you interact with a (Foreign) Public Official ((F)PO) and to ensure that you act with the highest level of integrity.

A ((F)PO) includes any person, whether elected or appointed, who performs public functions in any branch of foreign national, local or municipal government. It also covers a person who exercises a public function, such as professionals working for public health agencies and partners in state-owned enterprises.

Gifts and corporate hospitality to ((F)PO) may easily fall foul of the Act as it is not necessary to prove that it was provided to the ((F)PO) for an improper purpose. It would be sufficient to bring a prosecution if the gift or hospitality was provided with the *intent to influence* the ((F)PO) and to obtain or retain business. With this in mind, the Group's policy is that the giving of gifts or hospitality to ((F)POs) should be avoided wherever possible. However, there may be occasions where it is customary and lawful to do so (i.e. where the ((F)PO) is permitted or required by written law to be influenced in this way) and in these circumstances, any gifts or hospitality provided should be **legal, appropriate and reasonable**.

It should also be noted that the Group does not make contributions to political parties (although shareholder approval at each Annual General Meeting to cover certain types of donation or expenditure which might potentially be considered to fall within the broad definition of "political" under the Companies Act 2006 will continue to be sought). Charitable donations which are legal and ethical under local laws and practices are permitted, but should only be made through the prescribed local procedures.

As practical guidance:

DO NOT provide any gifts or hospitality to ((F)POs) without first ensuring that it is permitted or required under written law and if so, is appropriate and reasonable in the given situation.

DO discuss any concerns regarding the Group's dealings with an ((F)PO) with one of the Anti-Corruption Compliance Officers.

DO review the Gifts & Hospitality Policy prior to making any gift or providing any hospitality (including travel or accommodation expenses) to an ((F)PO).

DO obtain prior approval for the making of any gift or the provision of any hospitality to an ((F)PO), regardless of its value by completing the **Gifts and Hospitality Approval Form** attached to the Gifts and Hospitality Policy.



ANTI-BRIBERY AND CORRUPTION COMPLIANCE DECLARATION

I declare that I have read and understood McBride plc's Anti-Bribery and Corruption Compliance Policy. I undertake to comply with the rules prohibiting bribery and corruption and to this end I will follow the procedures described in the Compliance Policy requiring me to raise any concerns which I have as to whether the activities which I undertake on behalf of McBride plc, or of which I am aware through my employment / service at McBride plc, comply with anti-bribery and corruption law.

.....
Signature of Officer/Employee

.....
Date

Please return signed and dated declaration to the Company Secretary, Carole Barnet, at the Middleton office or by email: c.barnet@mcbride.co.uk.