People Policies – Anti-Bribery & Corruption Policy

1. Introduction

The purpose of this policy is to convey to all our people and interested parties of Munnelly Group Ltd and its subsidiary companies ('the Group') the rules of the Group in relation to our unequivocal stance towards the eradication of bribery and our commitment to ensuring that Munnelly Group conducts its business in a fair, professional and legal manner.

Munnelly Group values its longstanding reputation for ethical behavior and integrity. Conducting business with a zero-tolerance approach to all forms of corruption is central to these values and reputation.

The policy is the responsibility of the Group Finance Director (GFD) who has the delegated responsibility for overseeing its implementation. The policy sets out the standards expected of all people in relation to anti-bribery, fraud, and corruption. All individuals must adhere strictly to relevant laws in this area, including the Bribery Act 2010 and the Fraud Act 2006.

2. Scope

The policy is relevant to all persons working for us or on our behalf in any capacity, including but not limited to directors, sub-contractors, agency workers, agents, apprentices or interns, third party representatives and consultants. This policy does not form part of the Contract of Employment and may be amended from time to time. The policy should be read in the context of several other measures that Munnelly Group has in place to ensure there is effective communication about anti-corruption issues in connection with its business. These include:

- Providing awareness on anti-bribery issues.
- Promoting to persons and companies associated with Munnelly Group the Group's approach to anti-corruption.
- Ensuring any concerns are investigated appropriately and any individual making a report in good faith shall suffer no detriment for doing so.

3. Definition

3.1 Bribery

Bribery is the offering, promising, giving, accepting or requesting anything of value in order to influence the decision-making of another person. Examples of this include, but are not limited to offers of cash or a cash equivalent, services, offers of employment, charitable donations, gifts, loans, travel and/or entertainment expenses and meals.

Bribery is a criminal offence. Munnelly Group prohibits any form of bribery. We require compliance, from everyone connected with our business, with the highest ethical standards and anti-bribery laws applicable. Integrity and transparency are of utmost importance to us, and we have a zero-tolerance attitude towards corrupt activities of any kind, whether committed by Munnelly Group people or by third parties acting for or on behalf of Munnelly Group.

3.2 Corruption

Corruption is the misuse of office or power for private gain. Bribery is a form of corruption which means in the course of a business giving or receiving money, gifts, meals, entertainment or anything else of value as an inducement to a person to do something which is dishonest or illegal.

Bribery and corruption can occur in many forms, and it is important to recognise them so that they can be prevented:

- Facilitation payments are bribes and prohibited by this policy. They are typically small unofficial payments paid to secure or speed up the performance of somebody's normal duty.
- A kickback in the form of negotiated bribery in which a commission is paid to the bribe taker in exchange for services rendered, i.e., a payment is made in return for a business advantage or favour.

You must not threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about potential bribery or corruption.

4. Offences

It is a criminal offence to:

- Offer a bribe
- Accept a bribe
- Bribe a foreign official
- As a commercial organisation, to fail to prevent a bribe.

You should be aware that if you are found guilty by a court of committing bribery, you could face up to 10 years in prison and/or an unlimited fine. Munnelly Group could also face prosecution and be liable to pay an unlimited fine.

5. Gifts/Donations

5.1 Gifts and hospitality

We realise that the giving and receiving of gifts and hospitality where nothing is expected in return helps form positive relationships with third parties where it is proportionate and properly recorded. This does not constitute bribery and consequently such actions are not considered a breach of this policy. A gift or hospitality will not be appropriate if it is unduly lavish or extravagant or could be seen as an inducement or reward for any preferential treatment. They should not be accepted when they could influence a business decision (for example, during contractual negotiations or a tender process).

Gifts include money; goods (flowers, vouchers, food, drink, event tickets when not used in a hosted business context); services or loans given or received as a mark of friendship or appreciation.

Hospitality includes entertainment; meals or event tickets (when used in a hosted business context) given or received to initiate or develop relations. Hospitality will become a gift if the host is not present.

No gift should be given, nor hospitality offered by any Munnelly Group person or anyone working on our behalf to any party in connection with our business without receiving prior written approval from the Group Finance Director. Similarly, no gift nor offer of hospitality should be accepted by an individual or anyone working on our behalf without receiving prior written approval from the Group Finance Director.

All offers of hospitality over the value of £250 and gifts over the value of £50 given or received, must be recorded in a register maintained by the PA to CEO and such registers, together with any associated reports, must be submitted half yearly to the Group Finance Director as part of the Internal Controls Reporting Procedure.

5.2 Sponsorship, Charitable and Political Donations

All sponsorship and donations made on behalf of the Group must be approved in advance by a member of the Board of Directors.

6. Due diligence and risks

The following issues should be considered with care in all transactions, dealings with officials, and other business matters concerning third parties:

- Incentives or payments to get a better service.
- Incentives or payments made to gain advantage in procurement processes.
- Levels of hospitality disproportionate to a business transaction.
- Reluctance for a supplier to go through a due diligence procedure.
- Insist that you use a specific supplier, without making a business case.
- A request is made for payments to be made into an offshore account, in cash, or to a charitable cause.

7. Seeking further guidance

Inevitably, decisions as to what is acceptable may not always be easy. If an individual is in doubt as to whether a potential act could give rise to concerns about corruption, the matter should be referred immediately to the Group Finance Direcor before proceeding.

8. Record Keeping

It is necessary to keep full and accurate financial and other records (in writing) of all gifts and hospitality given or received; this includes expense receipts, invoices, credit notes and purchase orders and have appropriate internal controls in place which will evidence the business reason for making payments to any third parties (such as anyone who provides services for or on behalf of the Group). Individuals must apply the principles enshrined in this policy in all aspects of their work.

9. Individual Responsibilities and Reporting

Individuals are required to report any concerns that they may have to their line manager in the first instance. Issues that should be reported include:

- Any suspected or actual attempts at bribery.
- Concerns that other individuals or associated persons may be being bribed; or.
- Concerns that other individuals or associated persons may be bribing third parties, such as customers or government officials.

Any such reports will be thoroughly and promptly investigated in the strictest confidence. Individuals will be required to comply with the Whistleblowing policy and will be required to assist in any investigation into possible or suspected bribery.

If an individual were to report instances of bribery in good faith, the matter will be supported by the Group. We will ensure that the individual is not subjected to detrimental treatment. Any instances of detrimental treatment by a fellow person because of a report that another person has made 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, the individual should not agree to remain silent. They should report the matter.

Our zero-tolerance approach to bribery and corruption is communicated to suppliers, contractors, and business partners.

10. Fraud

Fraud is a form of dishonesty, involving either false representation, failing to disclose information or abuse of position, undertaken to make gain or cause loss to another. Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it. Examples of types of fraud and theft include but are not limited to:

- Forgery or alteration of invoices, purchase orders, expense claims, cheques, drafts, letters, contracts, etc.
- Tax evasion.
- Misuse of the Group's bank account.
- Fraudulent credit or debit card transactions or charges.
- Stealing or 'skimming off' money from cash collections or invoice payments.
- Creation of false employee's expenses claims, overtime, or other claims.
- Unofficial or unapproved borrowing or loaning of Group funds, temporary or long-term.
- Any misappropriation of funds, supplies or any other asset owned, or service provided.
- Any irregularity in the handling or reporting of any transactions.
- Misappropriation or misuse of Group property, equipment, materials, information or records.
- Seeking or accepting anything of value from vendors, consultants or contractors doing business with the Group.
- Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Group-owned software.
- Any claim for reimbursement of expenses not incurred completely and exclusively in the performance of one's official duty.
- Identity fraud / theft.
- Any similar or related irregularity.

11. Reporting Fraud

People are encouraged, should they have reasonable suspicions of fraud or observe anything they think might be a contravention of the policy, to report their concerns without fear of reprisal. As long as they are raising concerns or reporting what they genuinely believe to be improper, unethical, or inappropriate behavior.

A person can therefore be confident that they will not be victimised as a result of reporting reasonably held suspicions of fraud. These principles are contained within our Whistleblowing policy.

Authority to investigate fraud has been delegated to the GFD, who shall also be responsible for informing third parties such as the external auditors and, where appropriate, the police. If the allegation involves a senior manager or director, the board of directors will decide and nominate a member of the board of directors to fulfil this role.

Individuals have a duty to protect the assets of the Group, which include information and goodwill as well as property. Individuals should initially discuss their suspicions confidentially with a director. Time may be of the utmost importance to prevent further loss to the Group. The designated assessor shall:

- Inform and consult the board of directors at the first opportunity in all cases.
- Determine whether to inform the Police.
- Determine whether the external auditors should be informed.

12. Recovering a loss

Where recovering a loss is likely to require civil action it will probably be necessary to seek legal advice. Where external legal advisors are used the independent examiner must ensure there is co-ordination between the various parties involved.

If the loss may be covered by insurance the independent examiner should inform the manager or director who is responsible for insurance matters. There may be time limits for making a claim and in certain cases claims may be invalidated if legal action has not been taken.

13. Action

Munnelly Group will fully investigate any instances of alleged or suspected fraud or bribery. Any individual suspected of fraud or bribery may be suspended from their duties while the investigation is being carried out.

In most cases involving financial irregularities, the investigation will be led by the Group Finance Director, given their oversight of group finances. The Group Finance Director may delegate parts of the investigation as they see fit.

If there are employee matters to be considered, the HR Director will ensure that investigations follow the proper procedures and relevant employment law.

For serious allegations, especially those involving senior management, the Group Finance Director may assemble an independent committee from board members to oversee the investigation. This may include the Group's external auditors.

Determination of the outcome following an investigation will be made by a Group Board director not involved with the investigation, after consideration of the facts presented. In the case of an appeal against the determination, this must be made in writing within 7 days to the CEO or Chairman

The Group may invoke its disciplinary procedures where any individual is suspected of fraud or bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. We may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of the Group who are found to have breached this policy.

We 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. We will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

14. Training

Munnelly Group may, from time to time, invoke such training that it sees fit to strengthen the practical application of this policy. This may be targeted to individual roles or groups of roles, as necessary.

15. Employer Responsibilities

The Group Finance Director and HR Director have overall responsibility for ensuring this Policy complies with the Group's legal and ethical obligations and to ensure everyone complies with it.

Management at all levels are responsible for ensuring those who report to them are made aware of and understand this policy.

16. Scenarios

To demonstrate the practical application of this policy, please see example scenarios below. These are not considered exhaustive.

Gifts

- **Scenario:** A supplier sends an expensive watch to an employee as a "token of appreciation" after securing a contract.
- **Application of Policy:** The employee must report the gift and return it, as accepting high-value gifts could create conflicts of interest and violate group policies.

- **Scenario:** A client offers a modest holiday gift (e.g., a box of chocolates).
- **Application of Policy:** If the value of the gift is less than £50, the employee may accept it—but must disclose it on the half-yearly report to the GFD.

Hospitality

- **Scenario:** A potential vendor offers an all-expenses-paid weekend retreat to discuss business opportunities.
- **Application of Policy:** The offer is declined, as excessive hospitality can be perceived as an attempt to influence decision-making.

- **Scenario:** A business partner invites an employee to a working lunch.
- **Application of Policy:** If the hospitality is reasonable, aligned with industry norms, and disclosed, it is acceptable.

Third-Party Relationships

- **Scenario:** A consultant promises expedited government approval if paid an unofficial "facilitation fee."
- **Application of Policy:** The individual must reject and report such an offer, as facilitation payments are often considered bribes.

- **Scenario:** A subcontractor provides vague invoices for services not clearly rendered.
- **Application of Policy:** Thorough due diligence must be conducted to ensure payments correspond to legitimate business services.

17. Annual Review

This policy will be reviewed annually or in response to relevant legal or business developments.

Signed: Paul David Munnelly, CEO