

## **ANTI BRIBERY POLICY**

### **General Statement**

SludgeTEK Ltd is committed to the highest standards of ethical conduct and integrity in its business activities. This policy outlines the Company's position on preventing and prohibiting bribery in accordance with the Bribery Act 2010. SludgeTEK Ltd will not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf. All employees and associated persons have the responsibility for maintaining the highest standards of business conduct and are required to comply with this policy. The policy covers business being conducted both in the UK and overseas. 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 the Company. 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 the SludgeTEK Ltd, and to temporary workers, consultants, contactors, agents and subsidiaries acting for, or on behalf of, the Company ("associated persons") within the UK and overseas. Every employee and associated person acting for, or on behalf of, the Company 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 the Company.

SludgeTEK Ltd 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 the Company.

The Bribery Act 2010 is in force from 1 July 2011 and covers:

- The main areas of liability under the Bribery Act 2010
- The responsibilities of employees and associated persons acting for, or on behalf of, the Company; and
- The consequences of any breaches of this policy.

### **Bribery Act 2010**

SludgeTEK Ltd is committed to complying with the Bribery Act 2010 in its business activities.

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

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

A relevant function or activity includes any activity performed in the course of a person's employment, or on behalf of another company 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, SludgeTEK Ltd, offers, promises, gives, requests, receives or agrees to receive bribes; or
- an employee or associated person acting for, or on behalf of, the Company 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
- the Company does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.

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

### **What is prohibited?**

The Company 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 company, whether a public or government official, official of a state-controlled industry, political party or private person or company, 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 company 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 the Company in either obtaining or maintaining Company 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 a manner as an inducement or reward for improper performance, for example through consultants, contractors or subcontractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, supplier or other third parties.

### **Records**

Employees and, where applicable, associated persons, are required to take particular care to ensure that all Company 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 the Company's procedures.

### **Corporate Entertainment, gifts, hospitality and promotional expenditure**

SludgeTEK 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 or reputation of the company or
- to present the Company's goods/services effectively

SludgeTEK Ltd 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.

The Company will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. The Company 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, suppliers or other business contacts should be reported immediately to Peter Cramp, Managing Director and a record should be kept and receipts supplied, where appropriate in accordance with the Company's expenses policy. In certain circumstances, it may be appropriate to retain such gifts or return/refuse the gifts 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 your line manager is required, together with details of the intended recipients, reasons for the gift and business objective. These will be authorised only in limited circumstances.

Employees and, where applicable, associated persons must supply records and receipts, in accordance with the Company's expenses policy.

Clear records must be kept.

## **Charitable and political donations**

The Company 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 the Company.

## **Risk Management**

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

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

The Company 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, supplier and joint-venture partners.

### **Reporting suspected Bribery**

The Company 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 the Company and to remain vigilant in preventing, detecting and reporting bribery.

All persons are encouraged to report any concerns that they may have to Peter Cramp, 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.

Employees must record any instances of suspected bribery and hand this into their Line Manager/Compliance Officer. Any such reports will be thoroughly and promptly investigated in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected bribery.

Employees or associated persons who report instances of bribery in good faith will be supported by the Company. The Company 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 their Line Manager/Compliance Officer.

### **Action by the Company**

SludgeTEK Ltd will fully investigate instances of alleged or suspected bribery in the strictest confidence. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. The company 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. The Company may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Company who are found to have breached this policy.

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

## **Review of procedures and training**

The Company will regularly communicate its anti-bribery measures to employees and associated persons and will set up training sessions where applicable.

Peter Cramp, 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, SludgeTEK Ltd are encouraged to contact the Compliance Officer with any suggestions, comments or feedback that they may have on how these procedures may be improved.

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

## **Law relating to this document**

The Bribery Act 2010 introduces new criminal offences for bribery for both individuals and companies. The Act is effective from 01 July 2011.

### **Active and passive bribery**

An active bribe is defined in Section 1 of the Bribery Act 2010 as a financial or other advantage offered, promised or given to induce a person to perform a relevant function or activity improperly or to reward him or her for doing so. Section 2 defines a passive bribe as requesting, agreeing to receive or accepting a bribe. A bribe takes place even where the advantage offered is to be provided to a third party.

A person has performed a function improperly where he or she has not met an expectation that he or she would act in good faith, impartially, or in accordance with a position of trust.

A relevant function or activity includes state or public functions, those connected with a business or those performed in the course of employment, or on behalf of a company or other person. Bribery in both the public and private sectors is covered.

Both these general offences of active and passive bribery may apply to individuals and companies.

The Bribery Act 2010 replaces the previous main statutory authorities on bribery and creates several new criminal corporate offences. For more detailed information please look at full Bribery Act 2010 legislation that can be found on the internet.

### **Section 6 – bribery of a foreign public official**

Section 6 of the Bribery Act 2010 prohibits bribery of a foreign public official to obtain or retain business or an advantage in the conduct of business. The offence is committed where a person offers, gives or promises a financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her duties, where the official was not permitted by local law to be influenced in that manner. This includes all forms of facilitation payments.

Employers should research and consider local laws in relation to the making of payments to public officials.

The guidance states that, where an individual makes a payment to protect against loss of life, limb or liberty, where no alternative is available, he or she may be able to rely on the defence of duress to avoid prosecution.

### **Section 7 – failure of company to prevent bribery by associated person**

Section 7 of the Bribery Act 2010 establishes a new form of corporate liability where a commercial organisation has failed to prevent bribery by associated persons under ss1 and 6 acting on its behalf. An associated person, defined in s8, is a person who performs services for, or on behalf of, an organisation. This includes individuals and companies, so covers employees, agents, contractors, suppliers (who perform services) and subsidiaries based in and outside the UK. The scope of the Bribery Act 2010 extends to conduct undertaken by foreign nationals overseas.

Employers should be aware that an offence is committed even where the bribe has not actually been given. An offer or promise is sufficient for liability to arise under the Bribery Act 2010.

### **Section 14 – offences under ss1 and 6 by corporate bodies**

Section 14 of the Bribery Act 2010 provides that, where an offence is proved to have been committed by a Company with the “consent or connivance” of the Senior Officer of the Company, both the Company and the Senior Officer will be guilty of the offence. A Senior Officer will include any Director and Senior Manager who has a close connection to the UK (for example, a British citizen or a person who is resident in the UK).

Directors or Senior Management who are found to have omitted to take action or who have turned a blind eye to actions of employees or associated persons that amount to bribery will be personally liable and at risk of imprisonment. Therefore, it is imperative that Senior Management is fully engaged in implementing anti-bribery measures.

### **Jurisdiction**

Section 12 of the Bribery Act 2010 provides that UK courts will have jurisdiction over offences committed outside the UK for s1,2 or 6 offences by an individual with a close connection to the UK (for example, a person who is resident in the UK or a UK Incorporated Company or Partnership).

However, for s7 offences, there is no requirement that the offence be committed by an individual or company with a close connection to the UK. Any Company that is incorporated or formed in the UK or carries out business in the UK will be liable for an associated persons conduct, even where that person is not a UK resident, citizen or company, or where the conduct take place outside the UK. Companies need to be aware of the risks where the business is conducted by foreign nationals overseas, especially in territories where corruption is commonplace. Companies will need to carry out extensive due diligence on any agents, intermediaries, joint-venture partners or other representatives conducting business overseas.

### **Penalties**

Conviction for offences under the Bribery Act 2010 carries severe penalties. These include up to 10 years’ imprisonment and fines for individual and/or unlimited fines for a Company convicted of Bribery.

### **Adequate procedure defence**

Companies will not be liable for offences of bribery by associated persons under s7 where they can demonstrate the “adequate procedures” defence. The Act does not define “adequate procedures”, but the Governments guidance sets out six key principles that Companies should follow when devising bribery prevention procedures, including having anti-bribery policies, staff training and a rigorous Management and Compliance Framework to deal with instances of bribery.

The six principles are as follows:

- **Proportionate procedures:** the policy and procedures should be proportionate to the size of the organisation, complexity of commercial operations and risk that the organisation faces.
- **Top-level commitment:** the top-level management should be committed to preventing bribery and should foster a culture in which bribery is never acceptable.
- **Risk Assessment:** the nature and extent of exposure to potential external and internal risks of bribery should be assessed and documented periodically.
- **Due diligence:** due diligence should be carried out in relation to the third parties who will perform services on behalf of the organisation.
- **Communication:** bribery prevention policies and procedures, including processes for training staff, should be embedded and understood throughout the organisation.
- **Monitoring and review:** bribery prevention procedures should be monitored reviewed and, where necessary, improved.

This policy is designed to comply with the six principles set out in the Governments guidance. However, employers will need to carry out and document their own risk assessments and due diligence before deciding if they need to use this policy in its entirety. The guidance emphasises that risk procedures should be proportionate to the level of risk faced by the organisation. In addition, employers are reminded that such a policy will not, by itself, allow employers to meet the “adequate procedures” defence. Employers will need to design and rigorously apply a policy appropriate to the level of risk faced.

Employers should note that companies have a duty to report any instances of bribery to the Serious Fraud Office. Failure to do so could lead to prosecution. Prosecuting authorities will consider whether or not a company has effectively implemented its anti-bribery policy, provided full disclosure and cooperated with the authorities, taking into account the particular circumstances of the case, the activities of the associated person and the degree of risk requiring mitigation.

Companies should be aware that any employee who reports a suspected act of bribery will be protected from victimisation under the Public Interest Disclosure Act 1998. Employers should ensure that this is understood by Managers and that whistleblowing policies are updated where necessary.

### **Review of policies**

In addition to producing and implementing anti-bribery policies, employers should review their expenses and hospitality policies, promotional expenditure and financial accounting procedures on a regular basis. Where relevant, employers should ensure that their whistleblowing policies are consistent with the reporting procedure within their anti-bribery policies. Employees should be encouraged to report concerns on a voluntary basis and offered support and reassurance following such a disclosure. Copies of the anti-bribery and whistleblowing policies should be provided to all associated persons, including consultants, agents and other who act on behalf of the Company, at the outset of new contractual relationships or by way of an update for existing relationships. This will provide reassurance and may also act as a deterrent to those intending to bribe on the Company's behalf. It will also help bolster any “adequate procedures” defence if any cases subsequently arise.

**Prosecution**

Prosecutions will be brought only with the consent of the Director of Public Prosecutions, Serious Fraud Office or Revenue and Customs Prosecutions Office, where it is considered that the case has a reasonable prospect of success and it is in the public interest to bring the prosecution. Factors that may be relevant to the public interest include the likely sentence imposed, evidence of premeditation or corruption on the part of the recipient and the positions of trust of those involved.

**Warning**

Employers should be aware that this policy must be adapted for their own specific needs and risk profile. This policy should not be used until full risk assessments have been carried out across the organisation and in relation to any associated person, including external agents, representatives, subsidiaries and joint venture partners both in the UK and overseas. The six principles contained in the Governments guidance explicitly provide that any anti-bribery policies and measures should be proportionate to the actual risks faced by the organisation.

Employers should be aware that, unless they can successfully establish an “adequate procedures” defence, they will be liable for the actions associated persons, including employees, agents and contractors.

**I AGREE TO ADHERE TO THE ABOVE POLICY**

**PRINT NAME:**

**SIGNED BY:**

**DATED:**