

Special Piping Materials Limited			
<u>Policy Title:</u>	Anti Bribery & Corruption	<u>Issue No.:</u>	01 – June 2011
<u>Owner:</u>	Managing Director	<u>Author:</u>	Compliance Officer

## Policy

This policy sets out the general rules and principles to which we adhere. Training and Awareness of this policy will be carried out and communicated to all businesses and employees within the Group, including agents working on behalf of Special Piping Materials Limited. The policy will be published as part of the Employee Handbook, on the Company website and, as a stand-alone document to be issued to agents and associates of the Company.

Special Piping Materials Limited values its reputation for legal and ethical standards and it is our policy to conduct business in an honest way and to maintain those high standards without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

This policy has been adopted by Top Management at Special Piping Materials Limited. Top Management foster a culture of integrity and have applied a 'zero tolerance' approach to acts of bribery and corruption.

Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in disciplinary action.

### Definition of Bribery and Corruption

- **Bribery** is the offer or receipt of any gift, loan, payment, reward or other advantage to or from any person as an encouragement to do something which is dishonest, illegal or a breach of trust, in the conduct of the Company's business.
- **Corruption** is the misuse of public office or power for private gain.

Bribery is a criminal offence in most countries and penalties can be severe. In the UK the Bribery Act 2010 not only makes bribery and corruption illegal, but also **'holds UK companies liable for failing to implement adequate procedures to prevent such acts by those working for the company or on its behalf, no matter where in the world the act takes place'**. Corrupt acts committed abroad, including those by agents working on our behalf, may well result in a prosecution at home.

If you are at any time uncertain as to whether your actions will comply with this policy, you must seek guidance from the Managing Director or Compliance Officer.

### What is a bribe?

A bribe can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'quid pro quo' – both parties will benefit. A bribe could be:

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- Direct or indirect promise, offering, or authorisation or anything of value
- Offer or receipt of any kickback, loan, fee, reward or other advantage
- Giving of aid, donations or voting designed to exert improper influence

### Who can engage in Bribery or Corruption?

In the eyes of the law, bribery and corrupt behaviour can be committed by:

- An employee, manager or director
- Any person acting on behalf of the Company (e.g. agents)
- Individuals or companies where they authorise someone else to carry out these acts

Normally, but not always, acts of bribery and corruption involve public or government officials (or their close families and business associates). A government official could be:

- A public official, whether foreign or domestic
- A political candidate or party official
- A representative of government-owned/majority-controlled organisation
- An employee of a public international organisation (e.g. World Bank)

### Prevention of Bribery and Corruption

To assist in the prevention of bribery and corruption, Special Piping Materials Limited takes the following steps:

#### ***Risk Assessment***

Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region. Risk assessment allows us to identify specific areas in which we might face bribery and corruption, which in turn enables us to evaluate and mitigate these risks and thereby protect ourselves. Local Management must assess the vulnerability of their business unit to these risks on an ongoing basis and regularly communicate with the Group's Compliance Officer. In areas where agents act on behalf of the Company, Top Management and the Compliance Officer will assess the risks and take whatever steps are necessary to mitigate those risks.

#### ***Accurate Record Keeping***

Special Piping Materials Limited will ensure that we maintain accurate books, records and financial reporting within all our business units and for significant agents working on our behalf.

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### ***Effective Monitoring and Internal Control***

Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a comprehensive control and monitoring programme in order to mitigate these risks on an ongoing basis. This applies to all business units within the Group.

### **Use of Agents**

All agents or associates who act on our behalf will be advised, and provided with a copy of this policy and will at all times operate in accordance with this policy.

Where risk regarding an agent arrangement has been identified, the following must be applied:

- Evaluate the background, experience and reputation of the agent
- Understand the 'local laws'
- Take reasonable steps to monitor transactions of the agent as appropriate
- Ensure there is a written agreement in place which acknowledges the agent's understanding and compliance with this policy

Special Piping Materials Limited is ultimately responsible for ensuring that agents or associates who act on behalf of the Company are compliant with this policy.

### **Gifts, Entertainment and Hospitality**

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence – read the complete '[Gifts and Hospitality Policy and Procedure](#)'

As a general rule, employees and agents should not provide gifts to, or receive them from, those meeting our definition of a government official (or their close families and business associates). However, we do understand that in certain countries gift giving and receiving with these individuals is a cultural norm. If you are faced with such a situation, please consult with the Group Managing Director or Compliance Officer.

### **How to evaluate what is 'acceptable'**

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If you find it difficult to answer one of the above questions then there maybe a risk which could potentially damage the Company's reputation and business.

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### Never acceptable

Circumstances which are never permissible include examples that involve:

- A 'quid pro quo' (offered for something in return)
- Gifts in the form of cash/or cash equivalent vouchers
- Entertainment of a sexual or similarly inappropriate nature

### Usually acceptable

Possible circumstances that are usually acceptable include:

- Modest/occasional meals with someone with whom we do business
- Occasional attendance at ordinary sports, theatre and other cultural events
- Gifts of nominal value, such as pens or small promotional items.

If you feel uncertain at any time regarding cultural acceptability of gifts, entertainment of hospitality, please consult the Group Managing Director or Compliance Officer.

### Facilitation Payments (Management & Agents)

In many countries, it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process. It may be that we need to obtain licences or permits faster than the normal course, or we may need lawfully to import or export materials.

**Despite this, facilitation payments as defined here are against our policy and we take the view that they are illegal within the UK as well as within most countries in which we operate.**

However, in the event that a facilitation payment is being extorted, or if you are forced to pay under duress or faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed. If you are placed in such a situation, you must contact the Group Compliance Officer or Group Managing Director as soon as possible and you must record the payment appropriately.

### Compliance

In order for this policy to be effective, it is necessary for it to be applied across the Company worldwide, taking into consideration the diverse cultural environments in which we operate. In some of the areas of operation (e.g. Australia, USA etc.) some section of the policy may need to be adapted – such as gifts, entertainment and hospitality - to ensure they are fair, appropriate and applicable.

Local Management are responsible for reporting and confirming any local adaptations to this global policy with the Group Compliance Officer.

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### Raising a concern

If you have a concern regarding a suspected instance of bribery or corruption, you must report the issue/concern to your Line Manager or the Group Compliance Officer – refer to the **Whistleblowing Policy**.

We understand that you may prefer raise a concern anonymously in which case the matter must be raised with the Group Compliance Officer who will respect your confidentiality and handle the complaint appropriately.

### Policy Review

It is the ultimate responsibility of Top Management to review and reinforce this policy and its underlying principles and guidelines at least annually with all employees, agents and associates.

Individually signed copies of this policy are retained and filed with the Group Compliance Officer.

#### Associated Policies:

- Gifts & Hospitality Policy & Procedure
- Whistleblowing Policy