



Mechanical Air Supplies Ltd

Anti-Bribery & Corruption Policy

Throughout this document the Company and Employer shall mean Mechanical Air Supplies Limited.

INTRODUCTION

Bribery is a criminal offence, carrying potential custodial sentences and inevitable reputational harm. Mechanical Air Supplies Limited (“the company and the employer”) are committed to the prevention of bribery and ensuring that Mechanical Air Supplies Limited adheres to the highest legal and ethical standards. Mechanical Air Supplies Limited practices business in a manner which is fair, honest and open. For the avoidance of doubt, Mechanical Air Supplies Limited has a zero-tolerance approach towards bribery and corruption. This policy (the “Policy”) sets out Mechanical Air Supplies Limited approach to bribery and corruption. The Policy has been approved by and is fully endorsed by the Directors of Mechanical Air Supplies Limited.

Many countries have implemented local laws and regulations that prohibit bribery and corruption and the relevant UK legislation is the Bribery Act 2010 (the “Act”), supplemented by the supporting guidance published by the Ministry of Justice in March 2011 (the “Guidance”) and the Bribery Act 2010: Joint Prosecution Guidance of the Director of the Serious Fraud Office and the Director of Public Prosecutions.

Mechanical Air Supplies Limited anti-bribery stance fosters customer confidence and helps maintain its market reputation. Any contravention of the Policy will be treated as a serious disciplinary matter and could potentially result in dismissal.

Mechanical Air Supplies Limited wish to conduct business only with third parties who share a similar commitment to prevent bribery and corruption.

A strong anti-bribery culture must be understood, embraced and, crucially, acted upon consistently by all of Mechanical Air Supplies Limited’s employees, from the Directors through to employees at the most junior level. Employees must not give, offer, promise, accept, request or authorise a bribe (or take or omit to take any other step that might amount to an offence under the Act). Employees must also be aware that under the Act it is an offence for a commercial organisation (such as Mechanical Air Supplies Limited) to fail to prevent bribery and corruption.

The implication of this offence on Mechanical Air Supplies Limited is set out in detail below.

FIVE PRINCIPLES

The Guidance sets out five principles which underpin Mechanical Air Supplies Limited’s procedures for dealing with the risk of bribery and corruption.

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Principle

Description

Proportionate procedures	Mechanical Air Supplies Limited's procedures are proportionate to the bribery risks it faces and to the nature, scale and complexity of its activities.
Top-level commitment	The Directors are committed to preventing bribery and corruption by persons associated with Mechanical Air Supplies Limited and foster a culture in which bribery is never acceptable.
Due diligence	Mechanical Air Supplies Limited applies due diligence procedures, taking a proportionate and risk-based approach, in respect of persons who perform or will perform services for or on behalf of Mechanical Air Supplies Limited.
Communication	Mechanical Air Supplies Limited seeks to ensure that the Policy (and any other relevant policies/procedures) is embedded and understood throughout the company through internal and external communication, which is proportionate to the risks it faces.
Monitoring and review	Mechanical Air Supplies Limited monitors and reviews the Policy (and any other relevant policies/procedures) designed to prevent bribery and corruption and makes improvements to the Policy where necessary.

APPLICATION OF POLICY

- 1 **Employees**
 - 1.1 The Policy applies to the Directors, all employees of Mechanical Air Supplies Limited. All of Mechanical Air Supplies Limited's employees are required to read, understand and comply with the Policy and to follow the reporting requirements set out below.
 - 1.2 The Directors have responsibility for co-ordinating Mechanical Air Supplies Limited's antibribery and corruption compliance. Any questions in relation to the Policy should be directed to the employee's Line Manager. If the employee's Line Manager is unavailable the questions should be directed to a Director.

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1.3 If an employee is in doubt about the propriety of an act or whether an act is in compliance with the Policy, that employee should contact their Line Manager. If the employee's Line Manager is unavailable the employee should contact a Director.

2 **Associated Persons**

It is an offence under the Act for a commercial organisation to fail to prevent bribery by "associated persons" in certain circumstances - more detail is set out below under the heading "Failure of Mechanical Air Supplies Limited to prevent bribery". As a result, the Policy applies to Mechanical Air Supplies Limited's "associated persons".

3 **Joint Venture**

In the event that Mechanical Air Supplies Limited enters into a joint-venture (or similar arrangement), Mechanical Air Supplies Limited will expect a robust anti-bribery policy to be implemented in respect of any such entities.

WHAT IS BRIBERY?

1 A "bribe" is anything of value given, offered, promised, accepted, requested or authorised (in each case, directly or indirectly) with the intent that a person who is trusted or expected to act in good faith or impartially in relation to the performance of a function performs that function improperly (i.e., in breach of that trust or expectation), with a view to obtaining or retaining a business advantage.

2 "Anything of value" includes (but is not limited to) cash, gifts, hospitality, expenses, reciprocal favours, business or employment opportunities, political or charitable contributions and any other direct or indirect benefits and advantages.

3 "Corruption" is the misuse of public office or power for private gain.

4 Whether or not a function or activity has been performed improperly is a question of fact. However, as a general guide, the benchmark as to what is expected in relation to the proper performance of an activity is a test of what a reasonable person (of moral integrity) would expect in relation to the performance of that function or activity.

5 Acts of bribery or corruption will involve the undue influence of an individual in the performance of their duty - whether in the public or private sector. Acts of bribery or corruption will commonly, but not necessarily, involve public or government officials or their associates. Such persons would include (but are not limited to):

- A public official, whether domestic or foreign, elected or appointed;

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- A political candidate, political party, or party official;
 - A representative of a government-owned or controlled organisation;
 - An employee or representative of a public international organisation;
 - Any third parties referred to below; or
 - Any other person(s) performing a function of a public nature.
- 6 Indirect benefits may also constitute a bribe. A benefit or advantage could be given or offered to an associate, such as a relative or business partner, or channelled through an agent or other intermediary, may be a bribe.

Recklessness or ‘wilful blindness’ to such incidences is likely to be in contravention of applicable laws and/or regulations and will amount to a breach of this Policy.

- 7 In the event that Mechanical Air Supplies Limited invests in or operates in jurisdictions other than the UK, the Policy shall still apply and employees should seek further guidance from their Line Manager. If the employee’s Line Manager is unavailable the employee should contact a Director for further guidance.

TYPES OF BRIBERY – THE RISKS

The following risks have been identified as being particularly applicable to Mechanical Air Supplies Limited’s business and the sphere in which it operates.

- 1 Failure of Mechanical Air Supplies Limited to prevent bribery.
- Mechanical Air Supplies Limited employees must not give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.
- 1.1 Under the Act, Mechanical Air Supplies Limited will commit an offence if it fails to prevent a person associated with Mechanical Air Supplies Limited bribing another person intending (a) to obtain or retain business for Mechanical Air Supplies Limited or (b) to obtain or retain an advantage in the conduct of business for Mechanical Air Supplies Limited. Receipt of an indirect benefit is unlikely, in itself, to amount to proof of such an intention.
- 1.2 A person is an “associate” of Mechanical Air Supplies Limited if it performs services for or on behalf of Mechanical Air Supplies Limited. Mechanical Air Supplies Limited’s employees, consultants, subcontractors etc will only be associates if they perform services for or on behalf of Mechanical Air Supplies Limited.

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1.2.1 Where consultants, contractors, suppliers, sub contractors, are engaged to provide services on or behalf of Mechanical Air Supplies Limited they will almost certainly be “associates” of Mechanical Air Supplies Limited. With this in mind, Mechanical Air Supplies Limited must take appropriate steps to ensure that the third party’s conduct will not expose Mechanical Air Supplies Limited to potential criminal liability.

1.3 Contractual warranties, undertakings regarding a third party’s anti-bribery measures in contracts, clear communication and enhanced due diligence may all be used as tools to help manage the risk posed by third parties.

2 **Gifts and entertainment**

2.1 Employees and Directors are prohibited from accepting or offering any inducement or gift which is likely to conflict with any duties owed by such person to Mechanical Air Supplies Limited.

2.2 Reasonable expenditure which is designed to improve Mechanical Air Supplies Limited’s image or help to establish or maintain cordial relations and which is not designed to improperly influence the performance of a function will be permitted.

2.3 As a guide, hospitality will be generally acceptable where its perceived generosity is in keeping with what is customary for a particular sector and occasion. Factors such as timing, relative value, the country of origin and culture of the recipient, the effect on the recipient and the seniority of the recipient will also need to be considered. A helpful way to ‘sense-check’ whether hospitality (or a gift) is appropriate is to consider how a newspaper might report it and what the public perception of it might be. If an employee is ever uncertain about whether a gift or hospitality is permitted, they must consult with their Line Manager. If the employee’s Line Manager is unavailable the employee should contact a Director, at the earliest opportunity.

3 **Facilitation Payments**

3.1 Facilitation payments are payments (usually small) made directly to government officials in order to facilitate routine government action. These payments are not permitted under the Act and Mechanical Air Supplies Limited will not tolerate them. However, the Guidance does acknowledge the problems that businesses face in certain sectors and in some parts of the world where bribery is rife and where the eradication of facilitation payments is a “long-term” objective.

3.2 Acknowledging that a zero-tolerance approach may not always be appropriate, the Guidance highlights that before bringing a prosecution in respect of a facilitation payment the public interest test will be applied to ensure that the Act is enforced in a just and fair manner. Nevertheless, extreme care should be taken and the Guidance indicates that mitigation of exposure to facilitation payments is likely to be of importance. Such mitigation might include carrying out due diligence on the relevant entities/agents with whom business is being carried

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out, researching local bribery and corruption law, communicating a zero-tolerance policy on facilitation payments, laying down procedures for such entities/agents, monitoring the activities of such entities/agents and using UK diplomatic or other channels to apply pressure on local authorities to take action.

- 3.3 In no circumstances must a facilitation payment be made without consultation with a Director. Under no circumstances will Mechanical Air Supplies Limited endorse a facilitation payment which is large, repeated or planned for.

4 **Charitable donations and sponsorship**

Mechanical Air Supplies Limited only makes charitable donations and provides sponsorship that are legal and ethical under local laws and practices and which are in accordance with the company's internal policies and procedures.

PREVENTION OF BRIBERY

Mechanical Air Supplies Limited is committed to having appropriate and proportionate procedures in place to prevent bribery.

1 **Risk assessment / due diligence**

- 1.1 The success of Mechanical Air Supplies Limited's anti-bribery initiatives is largely dependent on the effectiveness of the periodic risk assessments that Mechanical Air Supplies Limited undertakes.

Mechanical Air Supplies Limited will conduct regular risk assessments which are designed to identify the areas of its business that are most vulnerable to bribery. The data obtained from such risk assessments is used to develop proportionate and responsive anti-bribery procedures.

- 1.2 As set out above, where Mechanical Air Supplies Limited engages third parties to perform services for and on its behalf, Mechanical Air Supplies Limited becomes exposed to the risk of liability for the acts of those third parties. It is therefore important to manage this risk by performing an appropriate level of due diligence on third parties so that it can be determined if they are suitable to be associated with Mechanical Air Supplies Limited. Where third parties are engaged, an effective risk assessment will inform the procedures to be imposed to mitigate the risk of bribery by any such third party.

- 1.3 When conducting due diligence related to bribery prevention the following factors will be considered (amongst others), all of which could indicate a higher level of risk: who is involved; which country(ies) are involved; which sector is involved; what type of transaction is being diligenced; and what is the value of the transaction or arrangement.

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1.4 As well as identifying external risks, internal risk assessments will also assess Mechanical Air Supplies Limited's overall compliance with the Policy. This will include consideration of: any deficiencies in employee training, skills and knowledge; a remuneration/bonus culture that rewards excessive risk taking; lack of clarity in procedures regarding hospitality and promotional expenditure; lack of clear financial controls; and lack of direction from top-level management.

1.5 All risk assessments are to be undertaken by individuals with the requisite knowledge and understanding of the relevant business area.

2 **Communication / Training**

2.1 Mechanical Air Supplies Limited understands that communication and training deters bribery by associated persons by enhancing awareness of: the legal requirements imposed on them and Mechanical Air Supplies Limited; the Policy; and Mechanical Air Supplies Limited commitment to combating bribery.

2.2 Mechanical Air Supplies Limited will ensure that all employees receive clear, concise and relevant communications in relation to anti-bribery. For example, all employees shall have access to the Policy and any updates. Where appropriate, employees will be informed of emerging risks or new legislative/regulatory developments.

2.3 Mechanical Air Supplies Limited will ensure that all employees receive adequate and practical training (both on induction and on an ongoing basis) about the threats of bribery in and across Mechanical Air Supplies Limited and specific to their areas of operation so that they understand the actions they must take to combat it.

2.4 In addition, every employee has clear and defined reporting lines and areas of monitoring/supervision. These channels of communications should be used to assist with compliance with this Policy.

3 **Reporting**

3.1 It is vital that where any employee of Mechanical Air Supplies Limited becomes aware of or suspects an incidence of bribery, that they report this to their Line Manager. If the employee's Line Manager is unavailable the employee should contact a Director, at the earliest opportunity.

3.2 Mechanical Air Supplies Limited employees who make such reports will be protected from any victimisation or detrimental action in reprisal for the making of a report.

4 **Accurate records**

Mechanical Air Supplies Limited understands the importance of maintaining up to date records. Mechanical Air Supplies Limited recognises that by maintaining accurate and transparent

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records and financial reporting, a more difficult environment will be created for anyone trying to implement or hide a bribe.

By adhering to high standards of record keeping Mechanical Air Supplies Limited will be better equipped to identify suspicious behaviour or any attempt to distort the understanding of an arrangement.

5 **Monitoring and review**

Mechanical Air Supplies Limited recognises that the risks that it faces may change over time. Mechanical Air Supplies Limited and the Directors are committed to monitoring external and internal developments/changes and reviewing the Policy in the light of any changes. This Policy will be reviewed by the Directors, as and when necessary.