

URBAN&CIVIC PLC (“the Company” or “U&C”)

Anti-Corruption & Bribery Policy & Procedure

Purpose of the Policy & Procedure

The Company aims to conduct all business in an honest, transparent and ethical manner and expects all persons acting on its behalf to uphold this commitment and to ensure by their actions that they do not expose U&C or themselves to criticism or scrutiny.

U&C takes a zero-tolerance approach to bribery and corruption. The Company is committed to acting (and to be seen to act) professionally, fairly and with integrity in all dealings and relationships and to implement and enforce effective systems to counter corruption and bribery in all their forms.

The principle is simple: the Company will not offer, give or receive bribes nor will it allow those who are acting on the Company’s behalf or with the Company’s authority to do so. Deviation from this policy will not be tolerated.

The purpose of this policy is to:

- a) set out responsibilities, and of those working for and on the Company’s behalf, in observing and upholding the Company’s position on bribery and corruption; and
- b) provide information and guidance to those working for and on the Company’s behalf on how to recognise and deal with bribery and corruption issues.

Scope

This policy and procedure applies to all employees within the Urban&Civic Group and covers all levels of the organisation including all employees, whether permanent or temporary, and workers, including agency staff, contractors, temporary and casual workers, volunteers, and/or any people or entities over which the organisation has control or has dealings with.

This policy and procedure applies in all geographical locations including any business activities which may take place overseas. Particular vigilance should be applied to bribery risks in any countries or areas where business and corruption risks are particularly high.

Please note that individuals may face up to ten years’ imprisonment if they are found guilty of offences under the Bribery Act 2010. In addition, the Company could be liable for unlimited fines, be excluded from tendering for public contracts, and would suffer serious damage to its reputation if corruption or bribery were to take place. The Company therefore takes its legal responsibilities very seriously.

This policy is not contractual and the Company may amend it at any time.

Responsibilities

The successful implementation of this policy and procedure depends upon pro-active adoption and endorsement at all levels of the Company.

The Board of Directors of Urban&Civic Plc (“Board”) has overall responsibility for ensuring this policy complies with its legal and ethical obligations, and that all those under the Company’s control comply with it. The Board is responsible for reviewing and monitoring compliance with this policy, as required.

The Board with the assistance of the Executive Management Committee (EMC) is also responsible for ensuring appropriate internal controls are in place and that records relating to dealings with all third parties and associated persons are prepared and maintained by all employees with accuracy and completeness. The EMC will report to and update the Board with regards to compliance with the policy.

Senior managers are responsible for ensuring that those who report to them are made aware of and understand this policy and are given adequate and regular training about this policy.

All those working for, or under the control of, the Company are responsible for the prevention, detection and reporting of bribery and other forms of corruption. Employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.

Employees must notify their line manager as soon as possible if they know or suspect that a breach of this policy has occurred or may occur in the future. For example, if a client or potential client offers them something to gain a business advantage or indicates that a gift or payment is required to secure their business.

Everyone has an individual responsibility to avoid conflicts, or potential conflicts, of interest from arising and to take immediate action to formally declare such conflicts where they arise. Declarations of conflict/potential conflict must be made in accordance with this policy.

Overview

As an organisation, U&C undertakes to do the following:

- To carry out our business fairly and honestly and in a transparent manner.
- To set out processes for avoiding direct or indirect bribery and maintaining Company Values.
- To ensure we have a mechanism for reporting bribery and a means for recording in a Register gifts, hospitality and donations provided, made or received (see the Gifts and Hospitality Policy).
- To keep clear and up-to-date records.
- To ensure everyone in the Company and our agents/business partners know and understand U&C policies and their responsibilities.
- To audit compliance with this policy and undertake checks from time to time to ensure compliance.
- To review and update policies and procedures as required.

U&C will NOT and expects those to whom this policy applies will NOT:

- Give or offer bribes, nor condone the offering of bribes on the Company's or their behalf by persons associated with the Company or them.
- Accept or solicit bribes, nor agree to them being accepted or solicited on the Company's or their behalf.
- Make facilitation or 'grease' payments (a form of bribery), nor condone the offering of these on the Company's or their behalf.
- Do business with those who do not accept these principles and who may harm the Company's reputation.

- Tolerate any deviation from this policy. Any such deviation will be viewed seriously by the Company and treated under the Company's Disciplinary policy. It may result in dismissal or the immediate termination of any working relationship and civil action against the wrongdoer, as well as their actions being reported to the relevant authorities.

Under the Bribery Act 2010 it is a criminal offence to:

- bribe another person;
- accept a bribe;
- bribe a foreign public official;
- fail to prevent bribery within a commercial organisation.

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage through the improper performance of a business or employment-related function or activity. Performance will be improper if it is not in good faith, is not impartial, or if it is in breach of an expectation of trust.

An offence arises under UK law regardless of whether the unlawful act of bribery is committed in the UK or overseas.

Donations

The Company's policy is not to make political contributions in any form whether to political parties, political causes or to support individual candidates, unless specific prior approval of the proposed political contribution has been given by the Board.

In their capacity as employees, Company personnel should not make direct or indirect contributions to political parties, organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions or otherwise. The following should be kept in mind:

- Never make such contributions or donations in order to improperly influence a business decision.
- Contributions and donations should be given, where possible, to the organisation and not directly to an individual.
- Charitable donations or sponsorship by the Company should be approved in advance by the Chief Executive or Managing Director and should be made in accordance with the Company's Charitable Donations Policy.
- Always log the giving or receiving of contributions or donations in the Gifts & Hospitality Register.

Prohibited Conduct

Employees must not, and must not ask anyone else on their behalf to,

- give, promise to give, or offer, a payment, inducement, gift or hospitality with the expectation or hope that it will result in a business advantage arising from the improper performance of a relevant function or business activity;
- accept payment from a third party that they know or suspect is offered with the expectation that it will result in a business advantage in consequence of the improper performance of a relevant function or business activity;
- accept a gift or hospitality from a third party if they know or suspect that it is offered or provided with an expectation that it will result in a business advantage in consequence of improper performance of a relevant function or business activity by the Company;

- give, promise to give, or offer, a payment, inducement, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure;
- threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

Third Parties

The Company may be liable for third parties who commit any act of bribery or corruption. The definition of a third party is broad. It covers individuals and organisations who perform services for or on behalf of the Company. It can include agents, distributors, consultations and joint venture partners and others who may commit bribery on the Company’s behalf.

For this reason, third parties who act on the Company’s behalf must be provided with a copy of this policy and will be expected to operate in accordance with it.

If an employee is instructing third party representatives to act on behalf of the Company, they must bear in mind that they can potentially expose the Company to significant risks. Employees are responsible for ensuring that the necessary precautions are taken to minimise such risks, including in the undertaking of appropriate due diligence. Appropriate steps should be discussed with either the Managing Director or Group Finance Director.

In particular, employees should:

- Always ensure that third parties are made aware of Company policies at the outset of a business relationship with them and as appropriate thereafter. Seek written confirmation from them that they will comply with this policy and take appropriate steps to ensure that any higher risk circumstances are protected against e.g. through the contractual terms of the appointment.
- Check a third party’s background, experience and reputation and undertake appropriate due diligence to analyse the bribery risks of conducting business or partnering with them.
- Request a copy of the anti-corruption policies of the third party.
- Ensure that the services to be performed by a third party and any amount to be paid by them on behalf of the Company are adequately documented and monitored and that the payment of fees, commission or expenses to them are transparent and proportionate to the value of the services which they will provide.
- Do not permit anyone on behalf of the Company to offer, make or accept bribes or do anything else the Company would not be permitted to do ourselves.
- Do not turn a blind eye to their activities. Ignorance of what they are doing is no excuse. Any employee who becomes aware of any behaviour of concern must report their concerns to their line manager, or to the Group Finance Director.

Facilitation Payments and Kickbacks

The Company does not make, and will not accept, facilitation payments or “kickbacks” of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions. Kickbacks are typically payments made in return for a business favour or advantage. Under UK law it is illegal to make or receive facilitation payments or kickbacks.

If an employee is asked to make a payment, they should consider what the payment is for and whether the amount requested is proportionate to the goods or services provided. The employee should ask

for a receipt which details the reason for the payment. If they have suspicions, concerns or queries regarding a payment, they should raise these with the Managing Director or Group Finance Director.

Employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by the Company.

Key Risk Areas

The following is an illustrative list of issues which may give rise to concern. If an employee encounters these or other relevant concerns they must report them promptly to the Managing Director or Group Finance Director.

- awareness that a third party engages in, or has been accused of engaging in, improper business practices;
- learning that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with foreign government officials;
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract, or carrying out a government function or process;
- a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to “facilitate” a service;
- a third party demands excessive entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third-party requests that a payment is made to “overlook” potential legal violations;
- a third-party requests provision of employment or some other advantage to a friend or relative;
- an invoice is received from a third party that appears to be non-standard or customised;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- the Company is invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Company;
- the offering of an unusually generous gift or offered lavish hospitality by a third party.

Record-keeping

The Company maintains accurate books, records and financial reporting. These records will be transparent and will accurately reflect each underlying transaction.

Employees and others may be required to complete a monthly declaration that they have complied with this policy. Such declaration will be linked to the monthly declaration under the Gifts and Hospitality policy. All employees will be required to complete an annual declaration as at 30 September confirming that they have, at all times throughout the year, complied with this policy and will comply with the policy for the financial year ahead.

Any actual or potential conflicts of interest must be declared to the Company using the appropriate form, which is available on the Company’s intranet. This includes any instances where an individual to whom this policy applies (or a member of their family or someone with whom they are closely connected) intends to enter into a contract with, or an arrangement for the provision of goods or services by, third parties or associated persons. Such arrangements will require the prior written approval of the Managing Director.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

Reporting Concerns

Employees should raise concerns about any issue or suspicion relating to this policy as soon as possible by notifying the Managing Director or Group Finance Director. If after raising an issue with any of them an employee remains concerned, they should raise the matter in writing with the Bill Holland, nominated Non-Executive Director, whose details are available on the intranet.

If an employee is unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with Human Resources or the Group Finance Director. Employees should follow the procedure contained in the Whistleblowing Policy.

If an employee is offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity they must report it to Human Resources or Group Finance Director as soon as possible.

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. The Company wishes to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

Employees will not suffer any detriment if they refuse to take part in bribery or corruption, or if they report such conduct in good faith. If an employee believes that they have suffered any such treatment, they should inform Human Resources immediately. If the matter is not remedied, and you are an employee, this should be raised formally using the Grievance procedure.

Any employee who victimises or retaliates against those raising genuine concerns about bribery or corruptions will be subject to disciplinary action under the Disciplinary procedure.

Anonymous reporting is possible but is not encouraged because it may make proper investigation of the matter more difficult or even potentially impossible if the Company is unable to obtain further information from the employee. It is also more difficult to establish whether any allegations are credible and genuine. The Company would always encourage employees to come forward and will seek to treat the matter in confidence.

Training and Communication

U&C will ensure that all employees receive appropriate training in relation to this policy. The level and frequency of training may vary depending on the nature of position held in the Company.

The Company will ensure that its zero-tolerance approach to bribery and corruption is communicated to all suppliers, contractors and business partners at the outset of any business relationship and as appropriate thereafter.

Breaches of this Policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

Urban&Civic

The Company may terminate its relationship with other individuals and organisations working on its behalf if they breach this policy.

The Company may report violations of this policy to appropriate supervisory regulatory or law enforcement authorities.

Policy Review

This policy is supported by the Board will be reviewed at appropriate intervals. An updated copy will be placed on the Company's intranet when any changes are made.