



Policy 3.11
October 2011

THE ALUMASC GROUP PLC

GROUP ANTI-BRIBERY POLICY

Foreword from The Chief Executive

The Board of Directors of the Company is committed to striving for high standard of business ethics. Bribery and corruption damages businesses and undermines the integrity of the person on who we rely for winning business. Given the ever-present danger of bribery in the modern business environment the Board has adopted the following policy to make our position absolutely clear.

The Anti-Bribery Policy and Guidelines reflect our zero tolerance approach to bribery and corruption of all kinds. They are an example of our expectation that in all business dealings we operate with integrity and that none of our relationships with clients, suppliers or other partners should be tainted by fraudulent or dishonest conduct.

There are important obligations in these guidelines for all employees and others who carry out work on behalf of Alumasc. This policy gives standards of conduct as well as duties to report any suspected breaches of these Guidelines by others. Any deliberate breach of these guidelines will result in disciplinary action being taken and possibly termination.

These guidelines form part of a package of measures that the Group is implementing in relation to anti-corruption compliance and fraud prevention. Day to day responsibility for monitoring and reviewing these measures is headed at Group level by Andrew Magson (Group Secretary) and John Douglas (Deputy Group Secretary), and each operating business in the group should appoint an individual to be responsible at a local level.

Signed
Chief Executive

GROUP ANTI-BRIBERY POLICY

WHO IS COVERED BY THESE GUIDELINES?

These Guidelines apply to all individuals regardless of nationality and location of employment or project working for our Group including:

- Employees
- Contractors
- Trainees, apprentices and interns
- Agents
- Agency and temporary staff

In addition, we expect these Guidelines or similar standards of conduct to be adhered to by anyone else associated with our Group, who perform services for us or on our behalf. This includes those we enter into joint ventures with or with whom we collaborate on projects or service provision for our clients. It includes our agents, brokers, sub-contractors, representatives, distributors, consultants and other providers.

To help achieve our expectations of others, these Guidelines are published by us and disseminated throughout our business units. You should aim to publicise these Guidelines as widely as possible inside and outside our organisation where appropriate. In many cases, they should be discussed with any party with whom as a Group we are considering doing business to ensure they understand our standards as an organisation.

BRIBERY - WHAT IS THE LAW?

The Bribery Act 2010 came into force on 1st July 2011 and sets out the law on corruption offences. The offences under the Bribery Act are extensive in scope, broadly defined and also allow for offences committed anywhere in the world to be prosecuted in UK courts. The same standards therefore apply to conduct that occurs both in the UK and in any business we undertake abroad.

The Bribery Act includes a new offence of failure of commercial organisations, such as Alumasc, to prevent bribery. This offence is designed to make companies that carry on business in any part of the UK responsible for bribery on their behalf, wherever in the world such bribery takes place. The Group has a legal responsibility under the Act to prevent bribery by any employees or any third parties on its behalf. As a business, these Guidelines are part of a package of measures we have adopted to protect the company and its employees from the risk of corrupt activity by ourselves or by third parties on our behalf.

Penalties:

The Bribery Act has serious consequences for anyone guilty of bribery.

- For individuals, a maximum prison sentence of 10 years and/or an unlimited fine can be imposed;
- For companies, an unlimited fine can be imposed and debarment from public contracts.

- Under The Proceeds of Crime Act 2002 (any gain from bribery being treated as the proceeds of a crime) penalties include :
- Confiscation of company or personal assets, where these are found to be the proceeds of criminal activity and
- Unlimited fines for individuals or companies and
- Maximum prison sentence for individuals of 14 years.

These penalties under The Proceeds of Crime Act apply equally to anyone who is involved in assisting with the concealment or retention of any proceeds of crime. This could apply to those who deal with the revenues generated by a contract knowing that someone else obtained that contract by bribery.

It is important to be aware too that any conviction of one of our companies for corruption or fraud would result in a mandatory disqualification from bidding for work to any Public Authorities and Utilities Companies in UK and other EU states under EU Procurement Regulations.

The adverse publicity of a conviction would itself be very serious for our business.

OFFENCES UNDER THE BRIBERY ACT

The Bribery Act contains four main offences:

- Paying or offering bribes - Applies to you and Alumasc
- Receiving or requesting bribes - Applies to you and Alumasc
- Bribery of a foreign public official - Applies to you and Alumasc
- Failure to prevent bribery - Applies to Alumasc

In addition, if anyone at senior management level “consents or connives” (ie turns a blind eye) in an act of bribery by Alumasc, they can be personally prosecuted and face the same penalties as a person who carried out the bribe.

As a reference guide, we set out below explanations of each of these offences.

All employees of Alumasc must themselves comply with the applicable law in this area, including the Bribery Act, and should report to their line manager or the Group Secretary, or (if they feel uncomfortable doing this) via the anonymous Whistle Blowing helpline, any suspicion that others, whether employed by Alumasc or not, have failed to comply.

Paying or offering bribes

It is an offence if you offer, promise or give a financial or other advantage with the intention of inducing another person to “perform a function or activity improperly” or to reward that person for doing so.

However, it is not necessary to prove you intended this consequence: it is also an offence if you know or believe that acceptance of the advantage by another is in itself an improper performance of their function or activity.

Receiving or requesting bribes

It is an offence if you request, or agree to accept, or receive a financial or other advantage intending that a “function or activity should be performed improperly” as a result.

It is also an offence:

- Where your request or receipt of the advantage is in itself an improper performance of a function or activity;
- Where your request or receipt is a reward for your or someone else's improper performance in the past;
- Where your improper performance takes place in anticipation or as a consequence of a request or receipt of an advantage.
- In these other scenarios, it does not matter whether you know or believe that the performance of a function or activity is improper.

What activities do these offences apply to?

Paying and receiving bribes can potentially occur in relation to all kinds of function or activity connected to your work at Alumasc. These include any function performed by others of a public nature and any activity connected with a private sector business.

Therefore, amongst other things, the offences apply to:

- Our dealings with our clients in the private and public sectors
- Our dealings with any of our subcontractors, consultants or other service providers or agents
- Our dealings with public authorities and regulatory bodies, including local government and other agencies.

What does improper performance mean?

Whether an activity or function is performed improperly will be measured on an objective basis, not necessarily on your own perception of the activity. Improperly in this context means:

- performance that is contrary to an expectation of good faith and / or impartiality or
- performance that is contrary to any expectation arising from a position of trust placed on the person performing it.

The test will be whether a function has been performed contrary to the expectation that a reasonable person in the UK would expect have.

This means:

- Customary or historic practices will not necessarily be acceptable – it is no defence that a payment was made in the past.
- Local custom or culture overseas will not be a defence unless enshrined in the written law of that country.
- Low level corruption or mutual favours are still criminal - it does not matter that no money changed hands, or that you received no personal benefit.
- Turning a blind eye to bribery by others amounts to “consent or connivance” and for senior managers is an offence. It is also contrary these Guidelines and you are urged to report any concerns you have.

Bribery of a foreign public official

It is an offence if you offer or give a financial or other advantage to a foreign public official with the intention of influencing the foreign public official in order to obtain or retain business or a business advantage. This is a low threshold for the offence to be committed as it does not require an intention that the official exercises his role improperly; it is sufficient that the offer is made to influence and to obtain or retain business or a business advantage.

There is a very limited exception where the foreign official is permitted or required by written law to be influenced in this way.

Our areas of operation have or may have dealings with foreign public officials. These people include:

- Overseas officials who perform commercial functions or are employed by overseas government agencies and state-owned enterprises
- Overseas officials who carry out legislative, administrative and judicial tasks

There is no exemption for “facilitation payments” (see separate section of these Guidelines relating to Facilitation Payments). Hospitality and entertainment to or from foreign public officials is possible for legitimate purposes, but care needs to be taken. If you need to promote Alumasc's business with a foreign public official, you should contact the Group Secretary in advance to confirm what steps you can and cannot take.

Failure of commercial organisations to prevent bribery

The Bribery Act covers both our own activity and that of third parties providing services for or on behalf of us (called “associated persons”). This is a wide category of people for whose acts we have a potential liability. It does not matter in what capacity they act for us. Associated persons include all employees of our Group and others outside of our organisation.

It is an offence by Alumasc if we fail to prevent bribery by an associated person. However there is a defence in any prosecution if we show that we had “adequate procedures” in place to prevent bribery and the person has got around those procedures. These Guidelines are one part of Alumasc's programme of anti-corruption measures designed to prevent bribery by anyone associated with the Group.

ENTERTAINMENT, HOSPITALITY, GIFTS AND CHARITABLE DONATIONS POLICY

Alumasc does not permit any officer or employee of Alumasc, directly or indirectly, and whether in his/her personal capacity or on behalf of Alumasc

- to solicit any gift or hospitality in the course of his/her employment
- to offer or give to, or receive from, any Connected Person any of the following:
 - Personal or corporate gift in excess of a value of £50;
 - Entertainment or hospitality in excess of value of £100 without prior approval from your company's MD.
 - Entertainment or hospitality in excess of a value of £250 without prior approval from the Group Chief Executive;
- to offer, give, or receive any gift or hospitality which is in breach of the applicable law or in respect of which it is otherwise wrong for the recipient to receive under the rules of the recipient's employer. Consequently, the law must be checked before any gift or hospitality is offered, given or received.

In exceptional circumstances, Alumasc may exercise its discretion so as to permit gifts or hospitality to exceed the thresholds specified above. Such discretion is exercised by either the Group Chief Executive or the Board of Directors of The Alumasc Group plc as detailed in the attached template (Appendix 1).

All officers and employees of Alumasc are required to enter details into The Hospitality, Entertainment, Gifts, Charitable Donation and Sponsorship Register (Appendix 1) to the extent to which entertainment, gifts, hospitality and charitable donations exceed the limits set out in the paragraphs above.

SPONSORSHIP AND CHARITY POLICY

We are committed to community support and charitable contribution as part of our ongoing contribution to the communities in which we work.

Alumasc may support local charities or provide sponsorship, for example, to sporting or cultural events. Any such sponsorship must be transparent and properly documented. Any sponsorship or charitable donation must be approved by the local MD and recorded on the Sponsorship and Donations Register (Appendix 1). Any sponsorship or charitable donation in excess of £250 should be approved by the Group Chief Executive. Care must be taken to ensure that charitable contributions and sponsorships are not used as a subterfuge for and do not constitute bribery; this may mean increasing due diligence on suggested recipients of charitable donations to ascertain that there is no personal connection with the recipient and any client or customer of Alumasc and that the proposed charity is itself legitimate.

POLITICAL CONTRIBUTIONS POLICY

Alumasc does not grant financial or other support to political parties, political campaign efforts, organisations or individuals engaged in politics as this may be perceived as an attempt to gain an improper business advantage.

If an employee is asked for a political donation in the context of contract discussions, no such donation should be made and the matter should be reported to the Group Secretary.

FACILITATION PAYMENTS POLICY

Facilitation payments are typically small unofficial payments paid to speed up an administrative process or secure a routine government action by an official. They are more common in certain overseas jurisdictions, but it is possible that they could arise in the UK.

Examples of when such payments may be requested include:

- To obtain or expedite a permit, licence or other official document or approval
- To obtain or expedite the loading and unloading of goods at a port or airport
- To secure police protection for a site against risk of theft or arson
- To facilitate mail pick-up and delivery
- To facilitate provision of utilities to a site, such as connecting water, electricity, gas or telephone services
- At border controls or crossings to allow safe or prompt entry or exit from a jurisdiction

Facilitation payments should be contrasted with official, lawful, receipted payments (typically to an organisation rather than an individual) to expedite certain functions (e.g. where there is a choice of fast track services to obtain a passport).

Our policy strictly prohibits any kind of facilitation payments made by employees, agents or third parties acting on its behalf.

If you are unsure as to the validity of an official's request for a payment, the steps below should be followed as far as they are applicable and as far as it is possible for you to do so without putting your personal safety or security at risk:

- if possible contact your line manager or supervisor immediately
- ask the official for proof of the validity of the fee
- request that a receipt be provided confirming the validity of the payment

- if no proof of validity will be provided, politely decline to make the payment and explain you cannot make the payment because of company policy and anti-bribery laws
- if possible ask to see the official's supervisor
- make a full note of the request, the circumstances and the parties involved
- at all times remain calm, respectful and polite

IF YOU FIND YOU ARE IN FEAR FOR YOUR SAFETY OR AT RISK OF LOSS OF LIBERTY, DO NOT REFUSE THE PAYMENT

IN ALL CIRCUMSTANCES REPORT ANY DEMAND FOR FACILITATION PAYMENTS IMMEDIATELY TO THE GROUP LEGAL DEPARTMENT

WHISTLEBLOWING AND REPORTING CONCERNS

Supporting our 'zero-tolerance' policy towards anti-corruption means we expect all employees to take compliance in this area seriously and encourage others to do the same. We encourage all employees to report any concerns about corruption or fraud that they encounter and make sure that suspicious behaviour does not go unchallenged.

It is therefore important that if you suspect that any Alumasc employee or others working on our behalf may have or is about to engage in any corrupt or fraudulent conduct, or if you are approached by any other person who attempts to persuade you to engage in any conduct described, then you should report it immediately.

It is better to voice your concerns, however minor they seem, than stay silent and allow potential wrongdoing to go unchecked or not investigated properly. Alumasc will support anyone who raises concerns in good faith. This includes ensuring that no one in our organisation will suffer any detriment for refusing to accept or pay bribes or take part in fraudulent practices, or if they report concerns they have about others' conduct.

A deliberate failure to speak up when there was clear evidence of corruption or fraud by others can itself lead to disciplinary action. Failure to report concerns can result in prohibited activity damaging our business - and may suggest Alumasc or individual employees have been complicit in this behaviour.

All employees should be assured that reporting of any concerns will be handled sensitively. If you feel more comfortable doing so, you should contact our anonymous Whistleblowing Helpline, telephone number 01536 383895.

You should report any incidents involving the following:

- Any dishonest or fraudulent acts;
- Any attempt to give or request a bribe;
- Forgery or alteration of documents or accounts;
- Stealing, concealing or otherwise manipulating funds, supplies or other assets;
- Inappropriate handling, recording or reporting of financial transactions;
- Inaccurate or fraudulent invoices
- Allegations involving the integrity of our suppliers or anyone providing services for us
- Requests for payments or deals to be 'off the record';
- Profiting from an official position; or

- Theft or misuse of property, facilities or services.

How to report?

Either:

- a) follow your normal whistleblowing reporting channels (see Group Whistleblowing Policy) or call the anonymous whistleblowing Helpline on 01536 383895

or

- b) contact Andrew Magson, John Douglas or Paul Hooper directly.