Introduction

CalaChem Ltd and its associated business units - **Earls Gate Waste Treatment Ltd., Earls Gate Industrial Services, Earls Gate Utilities and Earls Gate Development** - are committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas. This policy outlines the Company's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010. The Company will not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf. The Senior Management Team is committed to implementing effective measures to prevent, monitor and eliminate bribery.

Scope of this policy

This policy applies to all employees of CalaChem Ltd and associated business units, and to temporary workers, consultants, contractors, 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.

The Company 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.

This policy 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

CalaChem Ltd and its associated business units are committed to complying with the Bribery Act 2010 in its business activities in the UK and overseas.

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

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

A relevant function or activity includes public, state or business activities or 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, the Company 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?
CalaChem Ltd 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 a 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 any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers 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.

Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

Working overseas

Principle

Employees and associated persons conducting business on behalf of the Company outside the UK may be at greater risk of being exposed to bribery or unethical business conduct than UK-based employees. Employees and associated persons owe a duty to the Company to be extra vigilant when conducting international business.

Procedure

Employees and associated persons are required to report suspicions of bribery to their Line Manager or any member of the Senior Management Team. While any suspicious circumstances should be reported, employees and associated persons are required particularly to report:

- close family, personal or business ties that a prospective agent, representative or joint-venture partner may have with government or corporate officials, directors or employees;
- a history of corruption in the country in which the business is being undertaken;
- requests for cash payments;
- requests for unusual payment arrangements, for example via a third party;
- requests for reimbursements of unsubstantiated or unusual expenses; or
- a lack of standard invoices and proper financial practices.

If an employee or associated person is in any doubt as to whether or not a potential act constitutes bribery, the matter should be referred to their Line Manager or a member of the Senior Management Team.

Corporate entertainment, gifts, hospitality and promotional expenditure

Principle

The Company 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 and reputation of the Company; or
- to present the Company's [goods/services] effectively;

provided that it is:

- arranged in good faith, and
- not offered, promised or accepted to secure an advantage for the Company or any of its employees or associated persons or to influence the impartiality of the recipient.

The Company 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.

Procedure

Employees and, where relevant, associated persons should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to their Line Manager.

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, public officials, suppliers or other business contacts should be reported immediately to the HR Department. In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment and employees and associated persons may be asked to return the gifts to the sender or refuse the entertainment, for example, 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 the individual's 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.

Charitable donations

The Company considers that charitable giving can form part of its wider commitment and responsibility to the community. The Company supports a number of charities that are selected in accordance with objective criteria, following a risk assessment.

What practices are permitted?

This policy does not prohibit:

- normal and appropriate hospitality and entertainment with clients (please see the Company's expenses policy); and
- the use of any recognised fast-track process that is publicly available on payment of a fee.

Any such practices must be proportionate, reasonable and made in good faith. Clear records must be kept.

Reporting suspected bribery

Principle

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.

Employees and associated persons are encouraged to report any concerns that they may have to their Line Manager, Human Resources or a member of the Senior Management Team 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, such as clients or government officials.

Procedure

A form is available from the HR department to allow employees to record any incidents of suspected bribery. Any such reports will be thoroughly and promptly investigated by a member of the Senior Management Team 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, Human Resources or a member of the Senior Management Team.

Action by the Company

The Company will fully investigate any instances of alleged or suspected bribery. 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 and 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. Human Resources Department will monitor and review the implementation of this policy and related procedures on a regular basis.

The Company reserves the right to amend and update this policy as required.

Angus Gray

Managing Director

CalaChem Ltd
Earls Gate Waste Treatment Ltd.
Earls Gate Industrial Services
Earls Gate Utilities
Earls Gate Developments