

# Mears Group PLC

## Gifts and Hospitality Policy

Revised: 14/02/2023

### MEARS GROUP PLC GIFTS AND HOSPITALITY POLICY

This policy is applicable within Mears Group PLC and its subsidiary Companies.

All references to 'the Company' within the Policy will be taken to refer to Mears Group PLC and its subsidiary Companies.

## 1. Introduction

Mears is accountable to its shareholders for the services it provides and for the effective and economical use of Company money. Everything done by those who work in the Company must be able to stand the test of scrutiny from the Audit Committee, judgements on propriety and meet the requirements of professional codes of conduct.

It is also imperative that the organisation has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.

The use of Company monies for hospitality and entertainment, including hospitality at conferences or seminars, should be carefully considered. All expenditure on these items should be capable of justification as reasonable in the light of general practice in the sector, industry and/or markets in which we operate.

All employees, officers, managers and directors of Mears Group PLC should be aware that expenditure on hospitality or entertainment is the responsibility of management and is open to be challenged by the internal and external auditors and that ill-considered action can damage respect for the Company.

## 2. Purpose

The key objective of the provisions in this policy document is to ensure that the Company maintains appropriate relationships with third parties (such as existing or potential customers, suppliers, service providers etc.) and refuses any inappropriate offers of gifts, hospitality or sponsorship.

In addition to the key objective above, the purpose of this policy is to:

- a Ensure that all individuals and organisations that are linked to the Company are aware of the Company's approach to Hospitality and the reasons why this should be governed and monitored by the Organisation.
- a Actively promote openness with regards to Hospitality both given and received.
- a Raise the awareness of the importance of complying with Hospitality declarations and processes
- a Raise the awareness of the Company's obligations under the law.
- a Ensure that wilful breaches of this policy are taken seriously and, if proven, will lead to disciplinary action.
- a Ensure that acceptance of gifts, hospitality or sponsorship is authorised in line with the Company's Scheme of Delegated Authority (SODA)

The general rule regarding the acceptance of Hospitality by Mears employees from existing or potential customers, suppliers etc. is that the frequency and scale of the hospitality accepted should not be significantly greater than the Company would be likely to provide in return.

An up-to-date hospitality register should be maintained by all line managers with entries authorised by the appropriate line manager. All offers of Hospitality refused or accepted, should be reported to the employees line manager and should be entered in a Register of Hospitality

As a general rule, business gifts, other than very small items such as calendars or diaries, should not be accepted. If in doubt advice should be sought from the Group Head of Legal.

### 3. The Aims of The Policy

To this end, Mears maintains a balanced stance towards accepting offers of gifts, hospitality and/or sponsorship, recognising the real and perceived risks and benefits thereof.

Mears therefore requires:

- a All offers to be considered by the proposed recipient and their line manager (or equivalent) to assess whether the key objective will be met if the offer is accepted. That assessment takes account of the guidance in this policy document or (in situations not covered by this specific guidance) takes account of other principles; and
- a The Employee to declare the offer (whether accepted or not) in a publicly available register of all but the more insignificant offers of gifts hospitality and/or sponsorship.

### 4.Scope

The provisions of this policy document apply to:

- a All Company personnel directly or indirectly employed or contracted with the Company (including executive and non-executive Board members); and
- a Receipt from commercial or non-commercial sources of any gift, hospitality and/or sponsorship.

‘Gifts and hospitality’ includes any personal expense paid for by a third party whether payment is made directly, indirectly (on behalf of the third party) or by reimbursement.

‘Sponsorship’ includes payments or payments in kind made directly or indirectly to Company personnel that amount to remuneration for service delivery.

### 5.Gifts

#### Gifts by Way of Inducement or Reward

The Bribery Act 2010 prohibits staff from soliciting or receiving any gift or consideration of any kind from contractors or their agents, or from any organisations, firms or individuals with whom they are brought into contact by reason of their official duties.

Public Servants must not accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise their personal judgement or integrity.

A breach of the provisions of these Acts may render Company Employees liable to action up to and including dismissal, in accordance with the Company’s Disciplinary Policy and Procedure.

Every formal Contract for Services entered into by the Company should include a clause entitling the Company to terminate the Contract and recover any losses if any inducement or gifts are offered by the Contractor or by his or her employee with or without his or her knowledge

#### Casual Gifts

Offers of casual gifts should be politely declined wherever possible. If they are pressed, the recipient should inform their line manager using the ‘Gifts Hospitality and Sponsorship’ Form

(attached) and formal sign off should follow the criteria set out in the SODA document. Trivial articles such as calendars, diaries, flowers or chocolates need not be regarded as subject to this rule. This also applies to gifts under £25 in value. In cases of doubt, the line manager and/or the Compliance & Risk Team should be consulted.

Gifts in the form of a donation of money to the Company should be directed to the Compliance and Risk Team. Generally, such donations will be deposited in the Company's charitable fund.

## **5. Events Arranged by the Company**

As regards conferences, seminars or other similar events being arranged by Mears, third parties may offer to pay, directly or indirectly, some or all of the costs and/or incidental costs of such an event and/or may offer to provide resources for the event, such as the venue, the facilitator or refreshments.

In such cases the employee responsible for the event should complete the 'Gifts hospitality and sponsorship' Form to declare the sponsorship offer, and discuss the offer with their line manager (or equivalent) who may decide that it is appropriate for the offer to be accepted but only if:

- a) this does not involve association with any third party with activities incompatible with the aims of the Company;
- b) there are appropriate contingency plans in place in case the sponsor withdraws the offer of sponsorship; and
- c) No major procurement or other decision involving the sponsor has been taken by the Employee and/or the team of which they are a member within the previous six months and no such decision can reasonably be expected in the following six months.

If the above rules are satisfied, the 'Gifts, hospitality and sponsorship form' should then be formally signed off in accordance with the criteria set out in the SODA document.

## **6. Events Arranged By Third Parties (Hospitality Outside The Company)**

Staff should exercise the utmost discretion in accepting offers of hospitality from contractors or their representatives, or from other organisations or individuals concerned with the supply of goods or services.

Third parties may offer to pay, directly or indirectly, some or all of the costs of attendance and/or incidental costs of attendance (such as travel and accommodation costs) of employees at a conference, seminar, sports game or other similar event. In such cases, employees should declare the matter on the attached 'Gifts hospitality and sponsorship' Form.

Employees should also discuss the offer with their line manager (or equivalent) who may decide that it is appropriate for the employee to accept the offer but only if:

- a) this does not involve association with any third party with activities incompatible with the aims of the Company;
- b) this is consistent with the employee's job description and personal development plan and/or

requirements for Continuing Professional Development ('CPD') and the training/development need cannot reasonably be met through the Company's own arrangements;

c) sponsorship is restricted to Company employees, and thus their friends, relatives and other connected parties do not benefit directly from that sponsorship;

d) there are appropriate contingency plans in place in case the sponsor withdraws the offer of sponsorship; and

e) No major procurement or other decision involving the sponsor has been taken by the employee and/or the team of which they are a member within the previous six months and no such decision can reasonably be expected in the following six months.

If the above points are satisfied, the 'Gifts, hospitality and sponsorship form' should then be formally signed off in accordance with the criteria set out in the SODA document.

Whether hospitality can be accepted depends upon the nature and the circumstances, and whilst guidance can be outlined above, precise rules cannot be laid down. As a general rule, it would be appropriate to accept refreshments on a scale such as those that would be provided by Mears for similar meetings.

Staff in contact with contractors etc. should be on their guard against accepting hospitality that might compromise their strict independence and impartiality.

In cases of doubt, staff should seek advice from their line manager and should report any case where hospitality is accepted (e.g. a working lunch on a scale greater than that which Mears would provide) or where an offer of hospitality is pressed which might be open to misinterpretation.

Each employee is responsible to their Line Manager for ensuring that entries on their Hospitality Register are complete and accurate, based on the 'Gifts hospitality and sponsorship' forms appended to this policy

Company Directors should seek advice from the Group Chief Executive Officer, and should report any case where hospitality is accepted (e.g. a working lunch on a scale greater than that which Mears would ordinarily provide) or where an offer of hospitality is pressed which might be open to misinterpretation.

Each Director is responsible to the Chief Executive Officer for ensuring that entries on their Hospitality Register are complete and accurate, based on the 'Gifts hospitality and sponsorship' forms appended to this policy and appropriate SODA authorisation is obtained.

## **7. Register of Hospitality And Gifts**

Declarations of all hospitality, whether refused or accepted, will be entered in a Register of Hospitality held by each line manager, and made available for inspection for the Audit Committee at least once a year.

The Register for the previous financial year may also be inspected.

## 8. Provision of Internal Hospitality

Company monies for hospitality and entertainment should be used sparingly and modestly and only after each case has been carefully considered. All expenditure on these items should be capable of justification as reasonable in the light of the general practice in the private sector.

Whenever possible, meetings should be arranged within Company premises. If meeting rooms are not available within Company premises, the meeting should be arranged at the most economic rate, taking into account room rates and refreshment charges.

Refreshments other than basic refreshments (i.e. tea/coffee) should not normally be provided at internal management/staff meetings. When refreshments are considered necessary, these should be limited to sandwiches, crisps, fruit, tea/coffee and fruit juice.

Catering for all meetings arranged in the Company's Offices within normal office hours should be arranged through recommended providers. For any other meetings, the caterer used should be the one identified as the most economic choice.

Unless there are exceptional circumstances, lunches should not be provided if:

- a a morning meeting ends before 1.00 p.m.
- a an afternoon meeting commences after 2.00 p.m. or
- a a meeting lasts less than 3 hours in duration.

It is acceptable to supply coffee and tea for mid-morning/mid-afternoon meetings when attendees have travelled some distance to the meeting or when the meeting is to last a considerable period of time, i.e. in excess of 2 hours.

## 9. Criteria For Suppliers' Hospitality

The same general principles of exercising discretion in accepting Suppliers' hospitality apply for the acceptance of general hospitality. It is recognised that suppliers can contribute valuable funding to assist in providing general hospitality for certain ceremonies, parties, etc.

The general criteria that should be followed are:

- a The hospitality should be seen to be to the benefit of the Company
- a Sponsors should be made aware that the Company does not endorse use or recommend particular products. The fact that they are sponsoring an event does not mean that the Company endorses, uses, recommends their product or service or will do so following the event
- a The sign off rules listed in the Companies' SODA document, must be followed.

## 10. Responsibility For Reporting

All employees have a duty to advise the Company of any suspected misuse of Company Hospitality including the provision and the receipt of hospitality. Line Management must be advised in the event that any member of staff is found/or suspected of abusing the Company Gifts and Entertainment Policy. Failure to comply with the foregoing may result in Disciplinary action being taken, up to and including dismissal.

## 11. Analysis And Revision Of The Policy

It is important to note that the Company may vary or amend this policy from time to time particularly to take account of changes in the law, best practice or business requirements.

**SPONSORSHIP/HOSPITALITY/GIFTS**

Date of Sponsorship or Hospitality or receipt of Gift	Company Providing Sponsorship or Hospitality or Gift	Names of Company Representatives (where relevant)	Details of Sponsorship or Hospitality or Gift and approximate value	Benefit that will be obtained by Mears as a result of the Hospitality or the Gift.	Name and Base Of employee	Approval Signature	Date

This form must be completed and emailed or sent to your line manager. If it relates to hospitality or sponsorship, it must be sent at least one week prior to the hospitality/sponsorship event taking place. If it relates to a gift, it should be sent before the gift has been purchased or as soon as possible after the gift has been accepted.