



Anti-Bribery & Anti-Corruption Policy

March 2023

Introduction

ML Financial Associates Ltd is 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 and corruption, 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. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery and to ensuring that all staff act professionally, fairly and with integrity.

FCA Consumer Duty

This policy acknowledges the obligations placed upon the Firm by the FCA's Consumer Duty and the new consumer principle:

'A firm must act to deliver good outcomes for retail customers.'

The Consumer Duty is focused upon higher levels of consumer protection and one of the key tenets of the Duty is that firms must make every possible effort to avoid foreseeable harm to retail customers. Clearly the spectres of bribery and corruption have the potential to pose very real foreseeable harms to customers and, therefore, ML is committed to ensuring that this policy will play its part in protecting our clients from these harms. ML is wholly committed to acting in good faith at all times, which in accordance with the FCA's own definition is:

'A standard of conduct characterised by honesty, fair and open dealing and acting consistently with the reasonable expectations of retail customers.'

Scope of this Policy

This policy applies to all employees and officers of the Company, 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.

The Bribery Act 2010 came into force on 1 July 2011. 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.
- The consequences of any breaches of this policy.

Definition of Bribery

Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting or soliciting something of value or of an advantage, so to induce or influence an action or decision.

A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory or personal advantage.

Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, then they are also breaking the law.

Bribery Act 2010

The Firm is 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 a financial or other 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 organisation 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.

Four new statutory offences of bribery were introduced by the Act so that there is no longer a common law offence of bribery. The Act amended seven other pieces of legislation and repealed or revoked 11 others completely or in part. It also extended the investigatory powers of both the National Crime Agency (NCA) and of the Serious Fraud Office (SFO) to cover potential bribery offences.

Each of the four new bribery offences under the Act is actually set out in wide terms to cover the various ways that bribes are given and received. The four offences are:

- Bribing another person (active bribery).
- Being bribed (passive bribery).
- Bribing a foreign public official.
- The corporate offence of failure to prevent bribery.

The Offence of Bribing Another Person

Bribing another person is an active offence. Under Section 1 of the Bribery Act, the offence can be committed in two ways. The first is where a person:

- Offers, promises or gives a financial or other advantage to another person and
- Intends that the advantage will induce another person to perform improperly a relevant function or activity, or to reward another person for the improper performance of a relevant function or activity.

It is irrelevant whether or not the person who is being bribed is the same person as the person who is to perform or has performed the function or activity in question. The second way is where a person:

- Offers, promises or gives a financial or other advantage to another person and
- Knows or believes that the acceptance of the advantage will itself constitute the improper performance of a relevant function or activity.

In neither case does it matter whether the person offering the bribe does so directly or through a third party.

The Offence of Being Bribed

The offence of being bribed is a passive offence. Under Section 2 of the Bribery Act, the offence occurs where a person requests, agrees to receive or accepts a financial or other advantage and:

- The intention is that the relevant function or activity be performed improperly.
- The request, agreement or acceptance itself constitutes the improper performance of the function or activity.
- The request, agreement to receive or acceptance of the advantage is as a reward for the improper performance of the function or activity.
- In anticipation or in consequence of requesting, agreeing or receiving of a financial or other advantage a function or activity is performed improperly, whether by the person making the request or a third party.

The Corporate Offence of Failure to Prevent Bribery

The offence of failure to prevent bribery is a corporate, as opposed to an individual, offence. Under Section 7 of the Bribery Act a commercial organisation may commit this offence if a person associated with it:

- Bribes (as defined in Sections 1 or 6 of the Act) another for the benefit of that commercial organisation.
- Intends to obtain or retain business for the benefit of that commercial organisation.
- Intends to obtain or retain an advantage in the conduct of business for the benefit of that commercial organisation.

The *only* defence to this risk, which is a strict liability offence, is for the organisation to show it had adequate procedures designed to prevent persons associated with the organisation from undertaking such conduct.

The Six Principles

The Government maintains that the procedures put in place by companies wishing to prevent bribery should be informed by six principles. The principles, whilst not prescriptive, set out what is generally considered to be good management practice in the UK and internationally. They indicate the areas that senior management of relevant commercial organisations should consider. These are:

- Proportionate procedures: having policies that are proportionate to the bribery risks of the organisation and to the nature, scale and complexity of the activities of the organisation; its procedures should be clear, practical, easily available to all employees and anyone under the organisation's control, effectively implemented and enforced.
- Top level commitment: the top-level management of an organisation are committed to preventing bribery, and establishing a culture across the organisation in which bribery is never acceptable.
- Risk assessment: knowing and keeping up-to-date with the nature and extent of its exposure to the "potential external and internal risks of bribery" facing the organisation's sector and market; the assessment is periodic, informed and documented.
- Due diligence: making sure that an organisation knows who they are doing business with and to whom and why they are releasing funds; being in a position to feel that their business relationships are transparent and ethical. A proportionate and risk-based approach should be used in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.
- Communication (including training): embedding anti-bribery policies and procedures in an organisation's internal controls, operations, communications and training, including external communication to associates and counterparties.
- Monitoring and review: considering how regularly the organisation should review its controls and procedures, making any necessary improvements and whether or not external verification would help.

The Company recognises the value of these principles and this policy is informed by them at every level.

What is Prohibited?

The Company 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 organisation, whether a public or government official, official of a state-controlled industry, political party or a private person or organisation, 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 organisation 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.

Gifts and Hospitality

The Company accepts normal and appropriate gestures of hospitality and goodwill so long as the giving or receiving of such gifts meets the following requirements:

- It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of business or a business advantage, or as an explicit or implicit exchange for favours or benefits.
- It is not made with the suggestion that a return favour is expected.
- It is in compliance with local law.
- It is given in the name of the company, not in an individual's name.
- It does not include cash or a cash equivalent (e.g. a voucher or gift certificate).
- It is appropriate for the circumstances. For example, giving small gifts around Christmas or as a small thank you to a company for helping with a large project upon completion.
- It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift.
- It is given/received openly, not secretly.
- It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.
- It is not offered to, or accepted from, a government official or representative or politician or political party.

In order to mitigate risk, senior management have confirmed that there is a limit on gifts and hospitality that can be accepted; any one gift or act of hospitality from any one third party should not have a monetary value in excess of £500.

Charitable Contributions

The Company does not prohibit the act of donating to charities, whether through services, knowledge, time or direct financial contributions (cash or otherwise), and records all charitable contributions it makes.

Employees must take care to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.

The Company will ensure that all charitable donations made are legal and ethical under local law and practices and that donations are not offered or made without the approval of senior management.

Records

Employees and, where applicable, associated persons, are required to take particular care to ensure that all organisation 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.

Raising Concerns

If employees suspect that there is an instance of bribery or corrupt activity then they are encouraged to raise their concerns with senior management at as early a stage as possible. The Company understands that employees may feel anxious about potential repercussions if they report concerns but will support anyone who raises concerns in good faith under this policy, even if the subsequent investigation finds that they were mistaken.

The Company will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe, or because that report a concern relating to potential acts of bribery or corruption. Detrimental treatment refers to dismissal, disciplinary action, or any other unfavourable treatment.

Training

The Company will provide training on this policy as part of the induction process for all new employees.

Employees will also receive regular, relevant training and will be asked annually to formally confirm that they will comply with this policy.

Policy Reviewing

This policy will be assessed and reviewed on at least an annual basis and is diarised via ML's compliance monitoring plan.