

Message from the Managing Director

As McKenzie Electrical Solutions Ltd (Trading as MES Power Engineering – “The Company”) continues to expand it is more important than ever that we continue to maintain and build upon our strong and well-established reputation for maintaining high standards of business behavior. The Company's Business Ethics Policy (“the Policy”) recognises and reinforces the importance of conducting business ethically and legally throughout our organisation. Company Directors & employees are expected to uphold high ethical, legal and business standards wherever in the world their business takes them. We also expect those with whom we do business to embrace similar values and standards.

Acting ethically must begin with you our employees. This includes applying high ethical standards to any situation and using your common sense. We are resolutely opposed to bribery and corruption in whatever form it may take. Any payments, gifts or inducements made by or on behalf of The Company and which induce or are intended to induce someone to act improperly and payments, gifts to influence them in the performance of their duty (other than payments, fees etc. which they are entitled to demand by written law) are matters which will be investigated and may result in disciplinary action, including summary dismissal, against employees concerned. If we consider a serious breach has taken place, we may request the police to investigate.

We expect everyone at The Company to abide by the standards of ethical business practice set out in the Policy and to challenge behavior or actions inconsistent with our strong reputation for business integrity. We appreciate that in some cases acting ethically and legally may mean we lose business. However, we must rely on the strength of our people, products and services, and not on unethical practices, to develop our business.

Questions of ethics and compliance can be complex and we expect and welcome questions about the Policy and its application.

The Management Team will be responsible in ensuring, amongst other things, that policies and procedures are consistent with the Policy and to assist in answering any questions on the Policy.

You must report any breaches or potential breaches of the Policy of which you become aware – whether these relate to yourself, direct reports or others.

Reports can be made to the Management Team, or via email to info@mes-power.com. There will be no retaliation against anyone who reports a concern or suspicion in good faith.

One person's error in judgment can reflect upon The Company, calling our reputation into question and potentially resulting in significant financial consequences. Each of us is responsible for our own actions. The Company's resources are there to help you get it right.



Neil McKenzie
Managing Director
MES Power Engineering

13th May 2019

This policy will be reviewed annually as a minimum

Ethics and Business Conducts

All Directors & Employees contribute to The Company's reputation therefore, it is important that we all adhere to ethical guidelines.

Compliance with Laws

The Company business, whether domestic or international, must be conducted in compliance with all applicable laws and regulations. Be aware of the legal requirements that apply to your job and follow those laws strictly. The Company will not tolerate illegal activity conducted for personal gain or on the Company's behalf.

Lack of knowledge of the law will not excuse your non-compliance with this Ethics Policy. If you have questions or if you require assistance with legal matters contact your Line Manager.

Honesty and Integrity

Consider The Company's reputation and credibility in all your business relationships. Be honest and honorable in all dealings with other employees, the public, the business community, shareholders, customers, suppliers, competitors, and government authorities.

Entertainment and Gifts

Never accept a gift, entertainment or any other benefit from an individual or organisation doing business with The Company if that gift, entertainment or benefit could influence your decisions or, if it were made public, might appear to have influenced your business decision.

Any gift, entertainment or benefit you provide to a business associate must be modest in scope and value. Never provide a gift, entertainment or benefit that contravenes any applicable law or contract term or that is large enough to influence, or appear to influence, the recipient's business decisions. Ensure that you record in expenses sheets and pass to accounts all expenditures on gifts, entertainment and other benefits.

Consultant Fees, Commissions and Other Payments

Never give or receive any payment that falls outside the normal conduct of business. Ensure that all consulting or agency fees, commissions, retainers or other payments are reasonable in the context of acceptable commercial practice and that they comply with applicable corporate policies. Properly record all payments given or received in the Company's accounts. If you engage in giving or accepting kickbacks, bribes, payoffs or other illegal or similar transactions you will be subject to immediate discipline, up to and including dismissal in accordance with The Company policy on employee discipline.

Political Contributions

The Company does not wish to discourage the participation of employees in political and related activities. However, you may not make political contributions on The Company's behalf, either directly or indirectly, without prior written approval of The Company Directors.

Compliance with Accounting Controls and Procedures

Always comply with The Company's accounting procedures and controls and all applicable laws. Record all financial data and transaction properly. The Company does not permit the use of "slush funds" or other unrecorded funds or assets. All disclosure contained in reports and documents filed with securities regulators and other governmental authorities by or on behalf of The Company shall be full, fair, accurate, timely and understandable.

Conflict of Interest and Other Misconduct

The Company expects all employees to act only in the best interests of The Company. Avoid situations or activities where your personal interests are, or may appear to be, in competition with or in opposition to company interests. This includes situations that might prevent you from devoting proper time or attention to your duties or situations that might affect your judgment or ability to act in The Company best interest. Should you be faced with a situation or a transaction that might give rise to such a conflict of interest, you must disclose this information to a member of management.

It is not possible to give a comprehensive list of all potential conflict of interest situations however, the following are examples of such conflicts:

a) **Competing business interests**

- If you or someone close to you owns or participates in a business that competes with, is served by or provides services to The Company, it may conflict or interfere with your ability to work for The Company. To clarify such cases you must inform Management and seek guidance.
- If you are going to participate in any business venture that may compete with The Company, whether directly or indirectly, you must obtain prior written approval from Management.
- You may not engage, on The Company's behalf, in any transaction with a business in which you or a family member has an interest unless you have prior written approval from Management.
- If you want to serve on the Board of Directors or similar body of any company, you must obtain prior written approval from the Managing Director.

b) **Use of employment activities for personal gain**

- Never abuse your position with The Company by seeking personal gain, e.g. by obtaining personal benefits from those doing or seeking to do business with The Company.

c) **Misuse of Company property or resources**

- As an employee, you are entrusted with Company property and resources including vehicles, materials, computer equipment and software, corporate information and tools. Use these resources for Company business not for personal gain.

d) **Personal transactions with Company business associates**

- Never accept a loan from an individual or organisation that does business with The Company, unless the individual or organisation is in the business of making loans.

National and International Trade

The Company must comply with all applicable export control laws and economic sanctions when conducting international business. Economic sanctions forbid persons of certain nationalities directly engaging in or facilitating others engaging in prohibited dealings with sanctioned countries, governments, persons or activities.

For example, the US Government has put in place a number of Economic Sanctions that would prevent their citizens (including non-US nationals who work for US companies or anyone physically located in the US) from having anything to do with transactions for certain "embargoed" countries.

Export Controls regulate certain goods, software and technology and their export or re-export from one country to another.

For example, the UK and US Governments have put in place export controls on the export or re-export of UK or US-made products. Goods may require a licence to be exported based on the type of product, its end use or the end user of the product.

Export Control and Economic Sanctions

The UN, the European Union as well as the US and the UK (and other countries) impose restrictions on exports and sanctions dealings with certain countries, entities and individuals. Serious penalties – fines, revocation or permits to export and even imprisonment – can apply when these laws are broken.

The combination of export controls and economic sanctions means there are frequently restrictions on:

- Exports and re-exports of goods, technology and software to specific countries, entities and individuals and for certain end-users.
- Disclosure of certain technology and software source codes to nationals of a prohibited country.
- Involvement of nationals of the country imposing sanctions in any business dealings with sanctioned country or with persons in the sanctioned country.
- New investments or other transactions with a sanctioned country, persons in the sanctioned country and sanctioned individuals.

If your work involves the sale, shipment, electronic transfer or disclosure of technical information, goods or services across national borders, you are required to keep up-to-date with applicable rules and regulations.

Directors should be contacted for further information and can provide necessary training.

The Company will not do business with any company which is blacklisted by the UK Government. We will not engage in any activity or business practice which is in breach of any applicable competition and/or anti-trust law to which they may be subject.

The Company is committed to conducting its business in an open and competitive fashion. Any activity that undermines this commitment is unacceptable.

Corporate Information and Confidentiality

Every Company employee has access to some type of confidential information. For example, the following are considered confidential: technical information about equipment, financial data, information about how certain processes work, price lists, methods of conducting operations, business plans and intentions, legal matters, applications for patents and trademarks. Commercial and technical information received on a confidential basis from third parties such as suppliers, customers and partners is also confidential information.

All Company employees sign an undertaking of confidentiality to the Company when starting their employment with The Company.

Except as required in the normal course of performing your job, do not reveal confidential information to anyone, either while employed by The Company or after you leave the Company unless you have written authorisation from The Company Directors.

Employment Practices

The Company strives to provide a positive work environment that supports productivity, dignity and self-esteem and the pursuits of personal goals.

Our employment policies and procedures provide for equal opportunity and fairness in employment decision. We do not discriminate on the basis of race, colour, ancestry, place of origin, religious belief, physical or mental disability, age, gender, sexual orientation, marital status, family status or source of income and we take steps to comply with all applicable affirmative action legislation. We also endeavor to ensure that all employees are treated fairly in all aspects of the employment relationship, including performance appraisals, compensation, opportunities for advancement and disciplinary matters.

We believe that employees are entitled to privacy and we recognise our obligations as set out in applicable privacy legislation. The Company collects only necessary personal information and we protect confidential information using well-defined procedures.

BUSINESS ETHICS POLICY

Finally, we do our best to ensure that employees are treated with dignity and respect by the Company and by fellow employees. The Company makes every effort to protect employees from harassment and takes action to address any concerns that arise in this regard. The Company deals with harassment or other improper conduct within accordance with the Company's policies on harassment and on employee discipline.

If you have employment-related questions or issues, you should speak with your Line Manager or with Human Resources.

Health and Safety

The Company's foremost concern is protection of the health and safety of all employees.

We have adopted policies and procedures that are aimed at ensuring that The Company meets or exceeds all applicable health and safety laws and regulations as well as prevailing industry standards. We strive to fully implement all safety policies and procedures.

Complete compliance with safety policies and procedures requires the cooperation and commitment of every employee. Be aware of how the company's health and safety policies apply to you and conduct your duties and responsibilities in compliance with these policies

Environment

The Company is committed to minimising the effects of our operations on the natural environment. We endeavor to meet all regulatory and industry standards by implementing appropriate measures for the assessment of potential environmental effects, for the prevention of these potential effects and for appropriate response to any incidents that might occur.

As a Company employee you are expected to be familiar with the required environmental standards that apply to your work and to comply with these standards at all times.

Reporting Suspected Non-compliance

You must report any breaches or potential breaches of the Policy of which you become aware. Matters may be reported via:

- Directors
- Line Manager
- Human Resources
- Email – info@mes-power.com

Reports or questions received via the Ethics email will be dealt with in a professional and confidential manner. Matters relating to the Policy would normally be dealt with by Line Managers and/or Human Resources. All such communications will be held in confidence to the extent consistent with carrying out an appropriate investigation under applicable laws.

Failure to report knowledge of a violation of the Policy or failure to assist or co-operate in the investigation of reported non-compliance may result in disciplinary action being taken against you.

There will be no retaliation, retribution or victimisation in any form against an individual who reports in good faith a suspected violation of the Policy or assists with an investigation even if the report is mistaken and/or the facts later turn out to be inaccurate or do not trigger any further action. Any individual who retaliates in any way against a person who has in good faith reported a violation or suspected violation of the Policy will be subject to disciplinary action, up to and including termination.

Modern Slavery Policy Statement

Modern slavery is an unquestionable and indefensible violation of an individual's basic human rights. The Company recognises that as a commercial organisation it has a moral and social responsibility to take a zero-tolerance approach to modern slavery in all forms.

We are committed to preventing slavery and human trafficking in our corporate activities, and to ensuring, as far as we are able, that our supply chains are free from slavery and human trafficking.

This Policy Statement will be made available to anyone who makes a written request within 30 days.

Current Activity:

We undertake due diligence when considering taking on new suppliers, and are in the process of reviewing our existing suppliers. This due diligence includes:

- Understanding our supply chain to identify and assess product or geographical risks of modern slavery and human trafficking.
- Evaluating modern slavery and human trafficking risks if necessary through the completion of our 'Quality and Sustainability Agreement' and a 'Supplier Declaration'.
- Conducting supplier audits if applicable – our Managers currently work with suppliers in the UK & Europe.
- Terminating our relationship with suppliers that fail to improve their performance in line with an action plan or violate our supplier code of conduct.

We operate the following policies that assist our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in our operations:

Counterfeit, Fraudulent and Suspect Items Policy (CFSI)

Counterfeit and fraudulent material is material whose origin, age, composition, configuration, certification status or other characteristic (including whether the material has been used previously) has been falsely represented in any of the following ways

- Misleading marking of the material, labelling or packaging
- Misleading documentation (e.g. material and/or test certification)
- Any other means, including failing to disclose information

Should any CFSI be discovered, The Company will work closely with any affected customers to ensure that CFSI are quarantined and destroyed (or otherwise rendered unusable), in order to prevent materials from re-entering the supply chain.

Quality and Sustainability Agreement

We are committed to ensuring that our suppliers adhere to the highest standards of ethics. Any Suppliers used out with Europe are required to declare that they provide safe working conditions, treat workers with dignity and respect, and act ethically and within the law in their use of labour. Serious violations of the Company's Quality and Sustainability Agreement will lead to the termination of the business relationship.

Business Ethics Policy

Our policy sets out the core values which we expect to be observed throughout the Company.