

The MVE Group Position on Bribery

This is the company's position on bribery and the board's statement in relation to our three companies meeting their obligations under the 2010 Bribery Act which came into effect on the 1st July 2011.

As a commercial organisation operating across the world the directors have always considered their exposure to any form of bribery or coercion as both a current and actual threat as well as a potential threat to the business long-term. However, the company has grown considerably in recent years and as such, the board felt it prudent to carry out a policy review of our position to be undertaken by Mr. Chris Bainton, Co Sec and non-executive director of the company. He duly carried out such an in-depth review to ensure that our position as regards the Bribery Act remained both effective and robust in the face of challenge.

These are his findings in relation to the 6 principles.

1) **Proportionate procedures:** Although the company sources a clear majority of its products from within the UK, this is by no means always the case. However, the current contracts procedure appears to be robust in the face of any challenge in that most of our contracts come through an open tender or procurement process with no individual given sole responsibility for product selection or purchase choices. For the Vetcel GPO product purchasing requires a tender document to be submitted prior to the middle of December with biannual reviews. The operations director, together with the MD and staff, produce a list of competitively priced products from those submitted in response to the tender going out. This list is presented to the board for their consideration and agreement. Some additional products may be required and some of those listed even challenged and these products are then judged by the directors and ruled upon at that time. At no stage are benefits in kind to be accepted during any part of this process and no one individual has the ultimate power of acceptance anyway. All discussions on the acceptability, or otherwise, of a medicinal product are carried out on an (in house) open e-mail system for the sake of transparency. Merlin Export select their product for sale on a world-wide basis from the UK prices quoted and imported product from world markets. Where we market a product under our own label, we do so on a contractual basis with agreed distributors and where prices have been agreed by senior management in advance. Salus PAM operates in a very competitive market where laboratory testing costs form the primary element of our charging out to clients so no real opportunity for pricing abuse exists.

2) **Management commitment:** Senior management's commitment to combating any form of bribery within the company or through its agents is absolute. This extends to the acceptance of rewards or inducements for contracts offered to us or to those terms that we offer to our clients. All must be treated equally, fairly and without favour or in expectation of any reward.

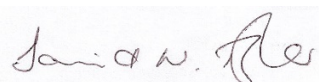
3) **Risk assessment:** Although the risk has been assessed as low, the board recognise that we are moving into many areas where this may not always be the case hence, we propose to monitor on an ongoing basis, our contract exposure. The directors believe that the best form of safeguard remains transparency of the decision-making process. The report indicated that the recruitment of additional sales personnel acting at arm's length would increase risk especially in overseas or remote sales markets. This risk will be mitigated with all sales contracts requiring to be ratified by a minimum of two company directors.

4) **Due diligence:** The board fully recognise the legal requirements placed upon them by the Act and the need for constant vigilance to ensure our continued compliance.

5) **Communication:** The promulgation and dissemination of the boards position on bribery to its suppliers, customers and staff are a given and to this end all contracts are offered only on a pre-accepted and transparent basis. All our clients are treated equally, and our terms are published for all to see. All our suppliers are asked to submit a copy of their stance regarding meeting their obligations under the Act.

6) **Monitoring:** The directors recognise that groups business is both fluid and dynamic and as such we must remain on our guard to ensure that rapid changes in either our market, or the way that we trade, don't present unforeseen opportunities such that the unscrupulous might exploit.

On behalf of the board of directors



CEO Mr David W. Taylor BVM&S, MRCVS, FIoD – August 2020.