

Draft version

Date

**ANTI-CORRUPTION AND BRIBERY POLICY
AND ANTI SLAVERY AND CHILD LABOUR POLICY**

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1 Policy statement

- 1.1 It is our policy to conduct all of our business in an honest and ethical manner.
- 1.2 We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery. There are many business benefits of operating without bribery, including reputational, client and business partner confidence.
- 1.3 We will not use slave or child labour to produce our products and services and we take a zero-tolerance policy to our suppliers, directly or indirectly, using slave or child labour to produce the products or services which they supply to us.
- 1.4 We will uphold all laws relevant to countering bribery and corruption and the use of slave and child labour in all the jurisdictions in which we operate. However in relation to bribery and corruption, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
- 1.5 The purpose of this policy is to:
 - 1.5.1 set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption and the use of slave and child labour; and
 - 1.5.2 provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues and the issue of slave and child labour.
- 1.6 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and, if we are found to have taken part in corruption, we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.7 If we or our suppliers were to use slave or child labour then we may lose certain customers in certain jurisdictions and face damage to our reputation.

2 Third parties

- 2.1 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, suppliers, sponsors, business contacts, property agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.
- 2.2 We will not do business with any third party who does not commit to doing business without bribery.
- 2.3 We will not do business with any third party who does not commit to excluding slave and child labour from the supply chain.
- 2.4 When engaging subcontractors who are going to work on our behalf, we must carry out the appropriate due diligence as set out in the Schedule. Note that, as explained in this policy, when engaging sponsors or subcontractors that a client

requests we engage (see paragraph 9.5), we must carry out full diligence as described in the Schedule.

3 Who is covered by the policy?

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as **workers** in this policy).

4 What is bribery?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Examples:

Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process, such as obtaining a design licence.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

5 Gifts and hospitality

5.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. Bona fide hospitality and promotional expenditure which seeks to improve our image, establish cordial relations, or better to present our services is perfectly acceptable. It is also acceptable for us to attend events such as supplier showroom events.

- 5.2** It is our policy that if any one off expensive hospitality is arranged, all participants will be required to contribute an equal share towards the cost of the hospitality.
- 5.3** The giving or receipt of hospitality/gifts is permitted if the following requirements are met:
- 5.3.1** it is not made with the intention of influencing a third party to obtain or retain business or a business advantage in exchange for the hospitality or gift, or to reward the provision or retention of business or a business advantage in exchange for the hospitality or gift, or in explicit or implicit exchange for favours or benefits. By way of example, if it is known or intended that by giving certain hospitality, we will receive a particular contract or appointment, this is not permitted. On the other hand, hospitality which endeavours to get to know our clients better is perfectly acceptable;
 - 5.3.2** it complies with local law;
 - 5.3.3** it is given in our name, not in your name;
 - 5.3.4** it does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - 5.3.5** it is appropriate in the circumstances. For example, in the UK it would be acceptable for small gifts to be given at Christmas time;
 - 5.3.6** taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
 - 5.3.7** it is given openly, not secretly; and
 - 5.3.8** gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the board.
- 5.4** We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.
- 5.5** If the cost of the hospitality will exceed £500 board approval must be obtained.

6 What is not acceptable?

- 6.1** It is not acceptable for you (or someone on your behalf) to:
- 6.1.1** give, promise to give, or offer, a payment, gift or hospitality with the expectation that a business advantage (such as an appointment) will be received in exchange, or to reward a business advantage already given;
 - 6.1.2** give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
 - 6.1.3** accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;

- 6.1.4 accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- 6.1.5 threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- 6.1.6 engage in any activity that might lead to a breach of this policy.

7 Facilitation payments

- 7.1 We do not make, and will not accept, facilitation payments of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions in which we operate.
- 7.2 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. Cash payment should be avoided whenever possible. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the compliance manager.
- 7.3 All employees must avoid any activity that might lead to, or suggest, that a facilitation payment will be made or accepted by us.

8 Donations

We do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the board.

9 Particular areas of risk

We have identified that the following are particular risks for our business which are set out below and where appropriate, we have explained how those risks are addressed.

9.1 Jurisdiction

Some countries encounter a higher level of risk of bribery than others. The following countries have been classed as “high risk” by Transparency International:

- Romania
- Russia
- Ukraine

It is therefore particularly important that our employees and all third parties with whom our organisations works in these countries are particularly aware of and comply with this policy.

It is important to note that just because a certain practice is customary in a certain country does not mean that our organisation will not be liable in the UK for acts of bribery. If you have any concerns about whether an action could be classed as a

bribe, you should notify the board and seek local advice to check whether the action is lawful.

The following countries have been classed as “medium risk” by Transparency International and whilst these countries are not as high risk as the countries above, employees and third parties in those countries still need to be particularly aware of the principles in this policy.

- India
- Brazil
- China
- Mexico
- Italy

9.2 Transactional Risks

Many of our projects are of a very high value and by the very nature of our business, it is the case that a high proportion of our revenue can at any point in time depend upon one large project or one client. Dependency on one transaction or one client is perceived as increasing the risk of bribery occurring in respect of that project.

All employees involved in high value projects need to therefore be particularly vigilant, especially in circumstances whereby the project is put on hold due to planning permission being delayed.

Our projects also usually involve working alongside large numbers of independent contractors (not necessarily engaged by us). This, again, increases our risk of exposure to bribery, particularly where we are engaging them or have influence over the selection of them. It is vitally important that our organisation is not involved in any form of bribery whilst working alongside these independent third parties.

9.3 Recommendations to Clients

The operation of our business and the sector that we are in means that we may recommend third parties to our clients such as, for example, engineers and suppliers. We ensure that all recommendations are made after thorough analysis of the strengths, credentials and abilities of the relevant third party and we do not (nor do any of our contenders) receive any kind of payment, gift or other incentive from such third parties.

10 Slavery and Child Labour

10.1 Slavery is a system in which people are treated as property and are forced to work.

10.2 Slavery predates written records and has existed in many cultures. The number of slaves today is higher than at any point in history remaining as high as 12 million to 27 million. Most are debt slaves, largely in South Asia, who are under debt bondage incurred by lenders, sometimes even for generations. Although there has been a recent case in the United Kingdom.

10.3 High risks areas include countries in North Africa, Asia and in particular India and areas of China.

10.4 Child labour is the employment of children under the age of either 14 or 16 (depending upon the laws of the country in question) in regular and sustained labour and in particular in relation to work which is either hazardous or interferes with a child's education.

10.5 The use of child labour varies widely between countries and even between regions inside countries. However it is estimated that the proportion of child labour is as follows:

Asia: 22%

Africa: 32%

Latin America: 17%

North America 1%

Europe 1%

11 Your responsibilities

11.1 You must ensure that you read, understand and comply with this policy.

11.2 The prevention, detection and reporting of bribery and other forms of corruption and the exclusion of slavery and child labour from our supply chain are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

11.3 You must notify the MD as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the Schedule.

11.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers if they breach this policy.

12 Record-keeping

12.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

12.2 We must keep records of steps we have taken to ensure that our product supply chain does not include products or services made or performed using slavery or child labour.

12.3 We must keep records of the results of the audits we carry out in order to comply with our procedures or any procedures we have agreed with our customers.

12.4 Where applicable we must obtain certification from our direct suppliers that they do not supply goods or services made or performed by slaves or children and that the

materials they use to make their products are not from countries that engage in slavery, human trafficking or child labour.

- 12.5** You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.
- 12.6** You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- 12.7** All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

13 How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption or whether we or any of our suppliers are breaching our rules on the use of slaves or children, or if you have any other queries, these should be raised with the MD. Concerns should be reported by following the procedure set out in our Whistleblowing Policy.

14 What to do if you are a victim of bribery or corruption

It is important that you tell the compliance manager as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

15 Protection

- 15.1** Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 15.2** We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to condone the use of slave or child labour or take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery, corruption or other offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the compliance manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

16 Training and communication

- 16.1** Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this policy.

16.2 Our zero-tolerance approach to bribery and corruption and slavery and child labour must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

17 Who is responsible for the policy?

17.1 The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

17.2 The MD has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

18 Monitoring and review

18.1 The MD will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

18.2 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

18.3 Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the compliance manager.

18.4 This policy does not form part of any employee's contract of employment and it may be amended at any time.

The Schedule

Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to the compliance manager:

- 1.1 you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- 1.2 you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- 1.3 a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- 1.4 a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- 1.5 a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- 1.6 a third party requests an unexpected additional fee or commission to "facilitate" a service;
- 1.7 a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- 1.8 a third party requests that a payment is made to "overlook" potential legal violations;
- 1.9 a third party requests that you provide employment or some other advantage to a friend or relative;
- 1.10 you receive an invoice from a third party that appears to be non-standard or customised;
- 1.11 a third party insists on the use of side letters or refuses to put terms agreed in writing;
- 1.12 you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- 1.13 a third party requests or requires the use of an agent, intermediary, consultant, subcontractor or supplier that is not typically used by or known to us; or
- 1.14 you are offered an unusually generous gift or offered lavish hospitality by a third party.

Due Diligence Policy

This policy should be consulted before entering into a business relationship with a third party that is acting on our behalf. The main examples in our industry are agents.

Risk Assessment of business relationships

The level of due diligence required will depend upon the value of the transaction and the perceived risks of bribery/corruption and or use of slave/child labour. In order to determine the level of due diligence required, a risk assessment should be carried out which addresses the following risk factors:

Country risk – see list in the main body of the policy

Transaction risk – transactions which are high value or projects with many contractors present a high risk of bribery. Simple, low value transactions present a lower risk.

If, after consideration of the above factors, there is a high level of perceived risk or the value of the transaction is high full due diligence should be carried out in accordance with this policy before any business is carried out.

If, after consideration of the above factors, there is a low level of perceived risk, it is only necessary to carry out the mandatory due diligence described in this policy rather than full due diligence.

Mandatory due diligence in all arrangements

Regardless of the perceived level of risk resulting from the risk assessment or the value of the transaction, the following steps need to be taken in relation to all business relationships with other parties who act on our behalf:

- the other party should be made aware, in writing, of our Anti-Bribery and Corruption, Slavery and Child Labour Policy;
- we must ensure that the other party has an effective Anti-Bribery and Corruption Policy in place, and effective procedures are in place; and
- we must seek certification that they do no slave or child labour is used within their supply chain.
- Contracts with the other party must include express prohibitions on bribery and corruption (along with a requirement to comply with the Bribery Act 2010) and contractual penalties in relation to any incident of bribery and to corruption including the ability to terminate the contract.

If the other party does not have a transparent anti-bribery policy or transparent procedures full due diligence must be carried out regardless of the perceived level of risk resulting from the risk assessment.

If the business is to be carried out in another country, regardless of the level of risk of corruption, legal advice should be taken on the law of the relevant country in relation to bribery as we can incur criminal liability in that country as well as in the UK.

Full due diligence

If, after consideration of the factors in the risk assessment, there is a high level of perceived risk or the value of the transaction is high, the following due diligence must be carried out before entering into the business relationship.

The individual responsible for the business relationship must consider the following:

- details of ownership, existing partnership, directorship held;
- checking CV's and references;
- having a clear statement of the precise nature of the services required, the costs, commissions, fees and the preferred method of remuneration;
- undertaking research, including internet searches;
- making enquires of the relevant authorities in the relevant country;
- whether the use of the other party is justified;
- whether the other party has a reputation for corruption or the use of slave or child labour;
- whether the other party, or any individual associated with the other party, is being investigated or prosecuted, or has been convicted of bribery or corruption and or using slave or child labour;
- the level of due diligence that the other party has carried out on any sub-contractors, agents, subsidiaries or representatives who are likely to be involved in the transaction and whether such parties have anti-bribery policies and procedures in place;
- whether payments made by us to the other party are reasonable and at market rate. In determining the normal rate, the prices of several providers should be compared.

The results of the due diligence must be recorded and assessed to decide whether we are vulnerable to bribery or corruption.

If the risk is high, the transaction must be approved by the MD before the arrangement is entered into.