



Anti-Corruption, Fraud and Bribery Policy

UNRESTRICTED

Issue 2018, Rev 00

Prepared by: P Roche/J Amin

Date: 01/08/2018

Edited by: P Roche

Date: 01/08/2018

Authorised by: P Roche

Date: 01/08/2018

Issuing Office: London

Version Control – This document is controlled, all changes are tracked and monitored

Issue	Rev	Date	Amendment Details	Authorised By
2011		14/06/2011	Clarifications to comply with the Bribery Act 2010	Paul Roche
2014		13/05/2014	Update following risk review	Paul Roche
2015		26/05/2015	Update following risk review and anti-fraud initiatives	Paul Roche
2016		06/06/2016	Update following risk review	Paul Roche
2017		01/08/2017	Update following risk review	Paul Roche
2018		01/08/2018	Update following risk review	Paul Roche

Version	Referenced Documents	Intranet Link
1	Financial Authority Matrix	Policies and Procedures Library
2	Employment Manual – Whistle Blowing Policy	Policies and Procedures Library

Contents

1. DOCUMENT SCOPE	4
2. POLICY STATEMENT	5
3. PROCEDURE	6
3.1. Responsibility.....	6
3.2. Risk Assessments.....	6
3.3. Contracting	7
3.4. Gifts & Hospitality.....	7
3.4.1. <i>General</i>	7
3.4.2. <i>Hospitality and Gifts Given</i>	7
3.4.3. <i>Hospitality and Gifts Received</i>	8
3.5. Facilitation Payments and Kickbacks.....	8
3.6. Donations	8
3.7. Record Keeping	8
3.8. Training & Communication	9
3.9. Monitoring and Review.....	9
4. POLICY GUIDANCE NOTE	10
4.1. What is bribery?.....	10
4.2. Examples.....	10
4.2.1. <i>Offering a bribe</i>	10
4.2.2. <i>Receiving a bribe</i>	10
4.2.3. <i>Bribing a foreign official</i>	11
4.3. What is not acceptable?.....	11
4.4. Facilitation Payments and Kickbacks.....	11
4.5. What is Fraud.....	12
4.6. Your Responsibilities.....	12
4.7. How to Raise a Concern	12
Appendix A. POTENTIAL RISK SCENARIOS “RED FLAGS”	14

1. DOCUMENT SCOPE

1. This document sets out Hurley Palmer Flatt Group (The Group) policy on bribery, fraud and corruption. The scope of this document comprises the following:
 - A. The Groups responsibilities, and of those working for us, in observing and upholding our policy
 - B. The procedures implemented to ensure the policy is enforced
 - C. Guidance to those working for us on how to recognise and deal with bribery and corruption issues
2. The policies and procedures in this document apply to the business activities of Hurley Palmer Flatt Group its subsidiaries and its controlling interests
3. The policies and procedures in this document apply to all business activities at a national and international level
4. The 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 and agency staff, volunteers, interns, agents and sponsors.

2. POLICY STATEMENT

1. It is the policy of the Hurley Palmer Flatt Board:
 - D. To conduct all of our business in an honest and ethical manner.
 - E. To establishing the highest standards and promotion of good practice in bribery prevention as a reflection of its core values of integrity, corporate responsibility and transparency.
 - F. To take a zero-tolerance approach to bribery and corruption.
 - G. 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.
 - H. To require all staff at all times to act honestly and with integrity.
 - I. To be committed to ensuring that opportunities for fraud and corruption are reduced to the lowest reasonable level of risk.
 - J. To uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws of the UK, including the Bribery Act 2010, Fraud Act 2006, in respect of our conduct both at home and abroad.

Signed on behalf of Hurley Palmer Flatt



Paul Flatt
Group Chairman and CEO
Hurley Palmer Flatt

2 August 2018

3. PROCEDURE

3.1. Responsibility

1. The Board has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
2. The Compliance Manager who reports to the Board 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.
3. 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 training on it.
4. All workers are responsible for the success of this policy and shall ensure they use it to disclose any suspected danger or wrongdoing.

3.2. Risk Assessments

1. The Company shall regularly assess the nature and extent of the risks relating to bribery to which it is exposed, being aware that risks are potentially present internally and externally.
2. The Compliance Manager will take responsibility for instigating and carrying out relevant risk assessment exercises at regular intervals, such exercises shall include consideration of:
 - A. The Company's business activities across all of its operations nationally and internationally and any actual or proposed changes to those activities;
 - B. The Company's employees and their knowledge and understanding of the Company's business profile and associated bribery risks;
 - C. The business activities of the Company's customers and clients, suppliers, contractors, intermediaries, agents, joint venture and other business partners and the interface between those activities and those of the Company; and
 - D. The markets and countries in which the Company and those acting on the Company's behalf operate.
3. The Company is committed to investigating and being fully informed about the individuals and organisations with whom it has business dealings and the markets in which it operates.
4. The extent of due diligence into business relationships will vary according to the risk. Where appropriate, before entering into any business relationship, the actions the Company may take include, but are not limited to:
 - A. Making enquiries about the risk of bribery in a particular country or location in which the Company is seeking a business relationship, the types of bribery most commonly encountered and any information about the preventive actions which are most effective;
 - B. Investigating the bribery risks that a particular business opportunity raises, for example, establishing whether the project is to be undertaken at market prices and has a defined legitimate objective and specification;
 - C. Establishing whether individuals or other organisations involved in key decisions, such as intermediaries, consortium or joint venture partners, contractors or suppliers have a reputation for bribery and whether anyone associated with them is being investigated or prosecuted, or has been convicted or debarred, for bribery or related offences. This may

- include considering the risks associated with politically exposed persons where the proposed business relationship involves, or is linked to, a prominent public office holder;
- D. Checking that potential partners internal anti-corruption measures are consistent with the terms of this policy, and where necessary, encouraging the adoption of such measures;
 - E. Ensuring that all business relationships and transactions are properly documented and recorded and have the express approval of the requisite manager; and
 - F. Ensuring that the Company is able to exit from any business relationship if bribery occurs or is reasonably thought to have occurred.
5. The company is aware that however small, the risk of being offered bribes exists due to:
 - A. Our ability to influence tender lists
 - B. Our assessment of tender submissions
 - C. Our assessment of claims and valuations
 6. The company is aware that however small the risk of being pressured to give a bribe, kickback or facilitation payment exists in our subsidiaries outside of the UK.

3.3. Contracting

1. Hurley Palmer Flatt's standard client engagement terms and conditions confirm our commitment to comply with this policy and by extension the requirements and intent of the Bribery Act 2010.
2. Our contact conditions for the engagement of sub-contractors stipulate that they have appropriate measures in place to comply fully with the Bribery Act 2010.

3.4. Gifts & Hospitality

3.4.1. General

1. This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.

3.4.2. Hospitality and Gifts Given

1. Typical and appropriate client lunches and dinners are deemed proportionate and do not in themselves exert nor are intended to exert undue influence and are thus not specifically recorded to comply with this policy
2. Information on corporate events over and above normal client lunches and dinners are recorded by Hurley Palmer Flatt's Marketing Manager on the central business platform. This information will include details of all clients that attended the event.
3. It is understood that when authorising expenditure the attendees at such events as detailed in 02 above may, if appropriate, include transport to and from as well as accommodation at the event
4. All hospitality is offered in an open non-secretive manner.
5. All expenditure and expenses on hospitality including those detailed in 01 and 02 must be approved in accordance with the company's Financial Authority Matrix.
6. Flowers cards and seasonal /festival gifts under £70 are deemed not in themselves to exert undue influence. Such activities are not recorded on a formal register.

7. Gifts over £70 are recorded on the company's business platform and brought to the attention of the compliance manager.
8. Gifts shall only be provided if:
 - A. They do not to exert undue influence.
 - B. They comply with local law;
 - C. They are given in the name of Hurley Palmer Flatt not in the name of an individual;
 - D. They do not include cash or a cash equivalent;
 - E. They are appropriate in the circumstances and for that market sector; They are given openly, not secretly;

3.4.3. Hospitality and Gifts Received

1. Typical and appropriate business lunches and dinners are deemed proportionate and do not in themselves exert nor are intended to exert undue influence and are thus not specifically recorded to comply with this policy.
2. All entertaining received with an estimated cost of more than £300 shall be reported by email to both that person's line manager and Human Resources. The estimated cost will include any food, alcohol, travel and tickets paid by the third party.
3. All gifts received by employees with an estimated or actual retail value of £75 or more, must be reported by email to both that persons line manager and to Human Resources. If appropriate Human Resources will seek the advice from the Compliance Manager as to whether the gift should be returned.
4. The Human Resources department will keep a record of all declarations made under clauses 3.4.11 & 3.4.12 and issue to the Compliance Manager on request

3.5. Facilitation Payments and Kickbacks

1. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.

3.6. Donations

1. We do not make contributions to political parties.
2. We only make charitable donations that are legal and ethical under local laws and practices.
3. Company donations shall not be offered or made without the prior approval of the Human Resources Manager.
4. Typical Individual to individual donations for their charitable activities are deemed not in themselves to exert undue influence and are not recorded.

3.7. Record Keeping

1. We shall keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
2. All staff expense claims relating to hospitality, gifts or expenses incurred to third parties shall be submitted in accordance with our expenses policy and specifically records the reason for the expenditure.

3. 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.

3.8. Training & Communication

1. Training on this policy forms part of the induction process for all new workers.
2. All existing workers will receive training on how to adhere to this policy.
3. All subsequent changes to this policy will be communicated to all workers.
4. Our zero-tolerance approach to bribery, fraud and corruption is communicated to all suppliers, contractors, business partners and intermediaries at the outset of our business relationship with them and as appropriate thereafter.

3.9. Monitoring and Review

1. The Compliance Manager will monitor the effectiveness and review the implementation of this policy, regularly [and at least annually] 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.
2. Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries shall be reviewed by the Compliance Manager.
3. This policy does not form part of any employee’s contract of employment and it may be amended at any time.

4. POLICY GUIDANCE NOTE

4.1. What is bribery?

4. A bribe is an inducement or reward offered, promised or provided (or received), directly or indirectly, in order to gain any commercial, contractual, regulatory or personal advantage. The Bribery Act 2010 introduces four key offences:
 - A. Bribing any person with the intention of the “improper performance of a relevant function or activity”;
 - B. Being bribed with the intention of the “improper performance of a relevant function or activity”;
 - C. Bribing a foreign public official (“FPO”) with intent to influence the FPO in his or her capacity as an FPO; and to obtain or retain business or an advantage in the conduct of business; and
 - D. Failing to prevent bribery by a “relevant commercial organisation” through an “associated person” with the intention of obtaining or retaining business or an advantage in the conduct of business for that organisation (the “Corporate Offence”).
5. “Associated person” under the Bribery Act can be any person who performs services on behalf of the organisation, including: employees, agents, subsidiary companies and third-party service providers, as well as potentially including joint venture or consortia partners.
6. The first three offences under the Bribery Act 2010 (giving and receiving bribes and bribing FPO’s) apply to individuals and corporates in the context of acts of bribery committed within the UK by any person or corporate; and to acts of bribery committed outside the UK by a person or corporate which has a “close connection” to the UK (broadly UK companies, UK partnerships, UK citizens or individuals ordinarily resident in the UK). Any worker who commits bribery within the UK and all UK-based companies and any worker closely connected to the UK (irrespective of where the bribe takes place) will therefore fall within the scope of these offences.
7. The fourth offence under the Bribery Act 2010 is even wider; it will be enough for the person paying the bribe to be associated with a corporate which carries on its business or part of its business in the UK. This means that all companies and partnerships which carry on any part of their business in the UK will be caught by the Corporate
8. Offence, regardless of where they are incorporated or formed and regardless of where the bribe takes place (so long as it involves an associated person).

4.2. Examples

4.2.1. Offering a bribe

1. You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.
2. 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.

4.2.2. Receiving a bribe

1. 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.

2. 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.

4.2.3. Bribing a foreign official

1. You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.
2. 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.
3. 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.

4.3. What is not acceptable?

1. It is not acceptable for you (or someone on your behalf) to:
 - A. give, promise to give, or offer, a payment, gift or hospitality with the expectation that a business advantage will be received;
 - B. 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;
 - C. 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;
 - D. 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;
 - E. threaten another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
 - F. Engage in any activity that might lead to a breach of this policy.

4.4. Facilitation Payments and Kickbacks

1. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official, also known as "greasing payments".
2. They are not commonly paid in the UK, but are common in some other jurisdictions in which we operate.
3. 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. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Compliance Manager.
4. Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

4.5. What is Fraud

1. The term fraud is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.
2. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. Obviously, fraud can be perpetrated by persons outside as well as inside Hurley Palmer Flatt.
3. Fraud can be split into 3 areas:
 - A. Fraud by false representation
 - B. Fraud by failing to disclose information
 - C. Fraud by abuse of position
4. False representation for practical purposes is claiming to be someone we are not to make a gain for oneself. Representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading.
5. Again for our purposes, a person is considered to have committed a fraud through abuse of position if he occupies a position in which he is expected to safeguard, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.

4.6. Your Responsibilities

1. You must ensure that you read, understand and comply with this policy.
2. The prevention, detection and reporting of bribery and other forms of corruption 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.
3. You must notify your line manager as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.
4. For example, if a client or potential client offers you something to gain as 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 appendix to this document.
5. Compliance with this policy will be rigorously enforced. 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.

4.7. How to Raise a Concern

1. Reference should be made to Hurley Palmer Flatt whistle blowing policy within the Employment Handbook.
2. You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. No employee will be penalised for refusing to pay or accept a bribe even if such refusal results in the loss of business. 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.
3. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager.

4. 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.

Appendix A. POTENTIAL RISK SCENARIOS “RED FLAGS”

1. 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, fraud and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.
2. If you encounter any of these red flags while working for us, you must report them promptly to your line manager you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
 - D. 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;
 - E. 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;
 - F. 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;
 - G. A third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;
 - H. A third party requests an unexpected additional fee or commission to “facilitate” a service;
 - I. A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
 - J. A third-party request that a payment is made to “overlook” potential legal violations;
 - K. A third-party request that you provide employment or some other advantage to a friend or relative;
 - L. You receive an invoice from a third party that appears to be non-standard or customised;
 - M. A third party insists on the use of side letters or refuses to put terms agreed in writing;
 - N. You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
 - O. A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
 - P. You are offered an unusually generous gift or offered lavish hospitality by a third party; or
 - Q. You are told that “we will make it worth your while” to recommend a supplier for a tender list, recommending a tenderer or turning a blind eye to an issue.
 - R. You are asked to create a false CV in order to secure a commission.
 - S. You are asked to suppress information that is fundamental to enable a client to make an informed decision and you are asked to withhold that information for reasons not in the client’s interest.
 - T. You are asked to disclose confidential client information in return for financial gain.