



Punter Southall
GROUP

Group Policies

Anti Bribery and Corruption Policy

To be approved by the Board of Punter Southall Group Limited on 20 June 2014



CONTENTS

<u>CLAUSE</u>	<u>PAGE</u>
1. Introduction	1
2. Background	1
3. Policy Statement	2
4. Who is covered by the Policy?	3
5. Examples of Bribery	3
6. Acceptable gifts and hospitality	4
7. Gifts and hospitality which are not acceptable	5
8. Facilitation payments and kickbacks	5
9. Responsibilities of all employees of the PSG Group	6
10. Reporting instances of bribery or other corrupt behaviour	6
11. Record-keeping	6
12. How to raise a concern	7
13. What to do if you are a victim of bribery or other corruption	8
14. Protection	8
15. Training and communication	9
16. Who is responsible for the Policy?	9
17. Annual review	9
 <u>SCHEDULE</u>	
SCHEDULE A	10

Punter Southall Group Limited
Anti Bribery and Corruption Policy (the “Policy”)

1. Introduction

Bribery has been defined as being an act whereby;

- (a) money, hospitality or a gift is given with the intention of influencing the recipient to act in an inappropriate manner; or
- (b) the recipient requests such money, hospitality or gift in exchange for acting in an inappropriate manner.

2. Background

2.1 Bribery has been described as undermining democracy and the rule of law and posing very serious threats to sustained economic progress in developing and emerging economies and to the proper operation of the free markets generally. The UK has taken positive steps to introduce legislation to combat bribery and corruption.

2.2 On 8 April 2010, the Bribery Act 2010 received Royal Assent. The Bribery Act 2010, which came into effect on 1 July 2011, created new offences which make it illegal for a UK registered entity, such as Punter Southall Group Limited (“PSG”) and any of its subsidiary or associated companies (together the “PSG Group”) to offer, pay, accept or solicit bribes anywhere in the world, whether in the public or private sector. The penalties, upon successful conviction for an offence, are severe with up to ten years imprisonment for individuals and unlimited fines for corporates.

2.3 There is a new offence of bribing or offering an advantage to a foreign public official. A ‘public official’ includes anyone, whether elected or appointed, who performs public functions in any branch of national, local or municipal government anywhere in the world. It includes officials holding a legislative, administrative or judicial position of any kind. It also covers a person who exercises a public function, such as professionals working for public health agencies, local authorities and officers in state owned organisations. Public officials can also be an official or agent of a public international organisation.

2.4 There is a new strict liability offence for corporates of “failing to prevent bribery”. The new offence applies to any UK incorporated entity (or UK registered partnership) and any overseas entity that carries on a business or part of a business in the UK. The offence makes the corporate automatically liable for a criminal offence whenever anyone performing services anywhere in the world on its behalf, be it employee, agent, subsidiary or otherwise, commits a bribery offence to obtain or retain business for the corporate. The only defence to an offence under the Bribery Act 2010 will be where the corporate can prove that it had in place adequate procedures designed to prevent this sort of bribery occurring. The Serious Fraud Office has been given responsibility for overseeing and enforcing the Bribery Act 2010. The Financial

Conduct Authority ("FCA") is also involved in enforcing the Bribery Act 2010 by ensuring that regulated entities have in place adequate anti-corruption systems and controls.

- 2.5 The Bribery Act 2010 applies to all countries comprised within the United Kingdom namely, England, Wales, Scotland and Northern Ireland. The Bribery Act 2010 covers offences committed by UK nationals and residents wherever such offences are committed.

3. Policy statement

- 3.1 It is PSG's policy to conduct all of its business in an honest and ethical manner. PSG takes a zero tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates which means bribery can never be acceptable. PSG takes a robust stance in implementing and enforcing effective systems to counter bribery and corruption.

- 3.2 PSG will uphold all laws relevant to countering bribery and corruption in any jurisdiction in which it operates. However, PSG remains bound by the laws of the UK, including the Bribery Act 2010, in respect of its conduct both in the UK and overseas.

- 3.3 The purpose of this Anti Bribery and Corruption Policy (the "Policy") is to:

- (a) set out PSG's responsibilities and of those of its associated and subsidiary companies and all those working within the PSG Group, in observing and upholding PSG's position on preventing bribery and corruption;
- (b) inform, educate and provide guidance to those working in the PSG Group on how to recognise and deal with bribery and corruption issues;
- (c) be read as part of a wider set of policies and procedures which the PSG Group has introduced to govern employee conduct and behaviour to prevent any act which could be considered to constitute making or receiving a bribe or to act in any other manner which can be construed as being involved in a corrupt act;
- (d) give guidance on giving and receiving gifts and hospitality; and
- (e) set out a procedure for reporting instances to be followed by all employees where bribery or other corrupt behaviour is identified or suspected.

- 3.4 Instances of bribery and corruption are punishable for individuals by up to ten years' imprisonment and if a company in the PSG Group is found to have taken part in bribery or corruption, it could face an unlimited fine, be excluded from tendering for public contracts, be subject to a proceeds of crime order, face severe detrimental damage to its reputation and possible regulatory censure. PSG, therefore, takes its

legal responsibilities to prevent any employee becoming involved in bribery and corruption very seriously.

3.5 In this Policy, “third party” means any individual or organisation, the PSG Group and/or any of its employees comes into contact with during the course of acting on behalf of the PSG Group, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

4. Who is covered by the Policy?

This Policy applies to all individuals working at all levels and grades, including directors, senior managers, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, employees who work from home, casual workers and agency staff, interns, agents and any other person associated with PSG, or any of its subsidiaries or their employees, wherever located (collectively referred to as “employees” in this Policy). All employees are required to comply with this Policy.

5. Examples of bribery

An inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage may be construed as a bribe.

Examples of possible bribes relating to the PSG Group:

Offering a bribe

An employee offers a potential client tickets to a major sporting event, but only if they agree to do business with the PSG Group.

This would be an offence as the employee is making the offer to gain a commercial and contractual advantage. The PSG Group may also be found to have committed an offence because the offer has been made to obtain business for the PSG Group. It may also be an offence for the potential client to accept the offer.

Receiving a bribe

A supplier gives a PSG employee’s daughter a job, but makes it clear that in return they expect the employee to use his/her influence in the PSG Group to ensure it continues to do business with the supplier.

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

Bribing a foreign public official

An employee arranges for the business to make an additional payment to a foreign public official to speed up an administrative process such as granting a license to enable a company in the PSG Group to undertake investment business in that jurisdiction.

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 the PSG Group. The PSG Group may also be found to have committed an offence.

6. Acceptable gifts and hospitality

- 6.1 This Policy does not prohibit normal and appropriate hospitality (given and received in accordance with the Group Gift and Entertainment Policy) to or from third parties.
- 6.2 This Policy does not prevent employees giving or receiving a gift or hospitality, if the following requirements are met:
- (a) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
 - (b) it complies with local law;
 - (c) it is given in the name of the PSG Group, not in the name of an employee;
 - (d) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - (e) it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given or received at Christmas time or on significant business anniversaries;
 - (f) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
 - (g) it is given openly and not secretly, i.e. one member of a team (the decision maker) must not be favoured ahead of other colleagues who are equally deserving of recognition; and
 - (h) gifts must not be offered to, or accepted from, government officials or representatives, or politicians or political parties.
- 6.3 The test to be applied is whether, in all the circumstances, the gift or hospitality is reasonable and justifiable. The motivation behind giving the gift should always be considered.

7. Gifts and hospitality which are not acceptable

7.1 This Policy prohibits an employee from undertaking any of the following activities (or someone on an employee's behalf) to:

(a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;

(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 an employee knows or suspects 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 the employee knows or suspects that it is offered or provided with an expectation that a business advantage will be provided by the PSG Group in return;

(e) threaten or retaliate against a colleague 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.

8. Facilitation payments and kickbacks

8.1 PSG does 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. They are not commonly paid in the UK, but may be common in some overseas jurisdictions.

8.2 If an employee is asked to make a payment as part of his/her role within the PSG Group, he/she should always refer the matter to his/her line manager or usual compliance contact.

8.3 Kickbacks are typically payments made in return for a business favour or advantage. All employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by the PSG Group.

9. Responsibilities of all employees of the PSG Group

- 9.1 All employees must ensure that they read, understand and comply with this Policy and all other anti bribery and corruption policies and procedures introduced within PSG Group which are relevant to the business areas in which they operate.
- 9.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all employees. All employees are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

10. Reporting instances of bribery or other corrupt behaviour

- 10.1 An employee must notify his/her line manager or usual compliance contact as soon as possible if he/she believes or suspects that a conflict with this Policy has occurred, or may occur in the future. For example, if a client or potential client offers an employee something to gain a business advantage with the PSG Group, or indicates to an employee that a gift or payment is required to secure their business. Further red flags that may indicate bribery or corruption are set out in Schedule A to this Policy.
- 10.2 Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. PSG reserves the right to terminate its contractual relationship with any consultant working on behalf of the PSG Group if they breach this Policy.

11. Record-keeping

- 11.1 The PSG Group must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 11.2 Employees must declare and keep a written record of all hospitality or gifts accepted or offered, in accordance with the PSG Group Gift and Entertainment Policy.
- 11.3 Employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the PSG Group procedures.
- 11.4 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. Improper payments must not be made by employees on behalf of the PSG Group.

12. How to raise a concern

12.1 Any concerns about any issue or suspicion of malpractice must be raised at the earliest possible stage. If an employee is unsure whether a particular act constitutes bribery or corruption, or if an employee has any other queries, these should be raised with the employee's line manager or usual compliance contact. If, for any reason, an employee considers that it is not appropriate to raise his/her concerns with their line manager or usual compliance contact, they should immediately report their concerns to the Group Compliance and Legal Director, Richard Garmon-Jones (telephone number 020 3327 5182 or 07796 308 106). PSG will do everything possible to keep an employee's identity a secret if you so wish. If a report from an employee becomes the subject of criminal or disciplinary proceedings, the employee may be required as a witness. In the event that this becomes necessary, we will discuss the matter with the employee first.

12.2 If an employee considers that his/her report of suspicions or knowledge of bribery are not being investigated appropriately by management, then a report may be made in accordance with the PSG's Group Whistle blowing procedures set out in the PSG Group Fraud Prevention Policy, made under the Public Interest & Disclosure Act 1998 ("PIDA"). PIDA provides guidance for dealing with whistle blowing issues in a safe and constructive way and encourages employees to raise concerns internally in the first instance.

12.2.1 Businesses authorised and regulated by the FCA

If you think you ought to contact the Financial Conduct Authority ("FCA") about your concern, the PIDA protects an employee where:

- (a) The disclosure is made in good faith;
 - (b) there is a belief that the information and any allegations in it are substantially true;
- and
- (c) there is a belief that the FCA is responsible for the issue.

There is a dedicated whistle blowing hotline at the FCA

FCA contact details are as follows:

- (a) Letters should be addressed to:

Intelligence Department (ref PIDA)
25 The North Colonnade
Canary Wharf
London
E14 5HS

(b) Reports can be made to the FCA at whistle@fca.gov.uk or by calling 020 7066 9200

(c) More information can be found at whistle@fca.gov.uk/Pages/Doing/Contact/Whistle/

12. 2.2 Businesses not authorised and regulated by the FCA

If you work in a business which is not regulated by the FCA and think you ought to contact an external independent body about your concern, there is an independent charity, Public Concern at Work to whom you should consider reporting your concerns.

Public Concern at Work contact details:

Public Concern at Work
3rd Floor, Bank Chambers
6 - 10 Borough High Street
London
SE1 9QQ

Reports can be made to Public Concern at Work at whistle@pcaw.org.uk or by calling 020 7404 6609.

More information can be found at www.pcaw.org.uk

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

It is important that an employee tells their line manager or usual compliance contact as soon as possible if:

- (a) he/she is offered a bribe by a third party,
- (b) he/she is asked to make a bribe;
- (c) he/she suspects that a third party may demand, or offer, a bribe in the future, or
- (d) he/she believes they are a victim of another form of unlawful activity.

14. Protection

14.1 Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. PSG encourages openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

14.2 PSG will ensure no one suffers any detrimental treatment as a result of refusing to take part in bribery and/or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption 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 an employee believes he/she has suffered any such treatment, a report must be made to their line manager or usual HR contact.

15. Training and communication

- 15.1 Training on this Policy forms part of the induction process for all joiners.
- 15.2 Computer based training has been provided to all employees on an annual basis, with refresher training being provided in 2014
- 15.3 Training is provided to all staff annually.
- 15.4 The PSG Group has adopted and will maintain a zero tolerance approach to bribery and corruption to all suppliers, contractors and business partners.

16. Who is responsible for the Policy?

- 16.1 The PSG Board has overall responsibility for ensuring this Policy complies with the PSG Group's legal and ethical obligations, and that all those under its control comply with it.
- 16.2 Any instances of bribery or corruption will be reported to the PSG Board and the Board of the entity in which the employee works, if different.
- 16.3 Management at all levels is responsible for ensuring those reporting to them are made aware of and understand this Policy and are given adequate and regular training on it.

17. Annual review

The PSG Board will review this Policy at least annually. Changes or enhancements will be made to the Policy more frequently, where considered appropriate.

SCHEDULE A

POTENTIAL RISK SCENARIOS: RED FLAGS

The following is a list of possible red flags that may arise during the course of an employee's duties 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 an employee encounters any of these red flags while working for the PSG Group, the employee must report them promptly to his/her line manager or usual compliance contact or using the whistle blowing procedure set out in paragraph 12.2 of this Policy:

- (a) an employee becomes aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) an employee learns 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;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with the PSG Group, or carrying out a government function or process for the PSG Group;
- (d) 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;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to facilitate a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to overlook potential legal violations;
- (i) a third party requests that the PSG Group provides employment or some other advantage to a friend or relative;
- (j) an employee receives an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) PSG is invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) 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 the PSG Group; or
- (n) an employee is offered an unusually generous gift or offered lavish hospitality by a third party.