



Anti-Corruption & Bribery Policy

Introduction

The Hendy Group is committed to the highest standards of ethical conduct and integrity in its business activities. This policy outlines the Group's position on preventing and prohibiting bribery and corruption, in accordance with the Bribery Act 2010. The Hendy Group will not tolerate any form of bribery or corruption by, or of, its employees, customers, agents or consultants or any person or body acting on its behalf. Directors are committed to implementing effective measures to prevent, monitor and eliminate corruption and bribery.

Scope of this policy

This policy applies to all employees of the Hendy Group, and to temporary workers, customers, consultants, contractors, suppliers, agents and subsidiaries acting for, or on behalf of, the Group ("associated persons"). Every employee and associated person acting for, or on behalf of, the Group is responsible for maintaining the highest standards of business conduct. Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the Group.

Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption, the Hendy Group may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010. We therefore take our legal responsibilities very seriously.

All employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time by the Group.

The Bribery Act 2010 has been in force since 1 July 2011. This policy covers:

- the main areas of liability under the Bribery Act 2010;
- the responsibilities of employees and associated persons acting for, or on behalf of, the Hendy Group; and
- the consequences of any breaches of this policy.

Bribery Act 2010

The Hendy Group is committed to complying with the Bribery Act 2010 in its business activities in the UK and overseas.

Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a function or activity; or
- knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

A relevant function or activity includes public, state or business activities or any activity performed in the course of a person's employment, or on behalf of another company or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

A criminal offence will be committed under the Bribery Act 2010 if:

- an employee or associated person acting for, or on behalf of, the Group offers, promises, gives, requests, receives or agrees to receive bribes; or
- an employee or associated person acting for, or on behalf of the Group offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of his/her duties (where local law does not permit or require such influence); and
- the Group does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.

All employees and associated persons are required to comply with this policy, in accordance with the Bribery Act 2010.

What is prohibited?

The Hendy Group prohibits employees or associated persons from offering, promising, giving, soliciting or accepting any bribe. The bribe might be cash, a gift or other inducement to, or from, any person or company, whether a public or government official, official of a state-controlled industry, political party or a private person or company, regardless of whether the employee or associated person is situated in the UK or overseas. The bribe might be made to ensure that a person or company improperly performs duties or functions (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for the Group in either obtaining or maintaining Company business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.

Examples:

Offering a bribe – You offer a potential supplier or customer 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 supplier or customer 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.

Records

Employees and, where applicable, associated persons, are required to take particular care to ensure that all company records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

Please make yourself familiar with the anti-corruption and bribery template and the gift and hospitality form available in the public drive under HR_Info. All information needs to be logged and stored centrally by the HR Director.

Corporate entertainment, gifts, hospitality and promotional expenditure

Principle

The Hendy Group permits corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:

- for the purpose of establishing or maintaining good business relationships;
- to improve the image and reputation of the Group; or
- to present the Hendy Group's services effectively;

provided that:

- 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;
- it complies with local law;
- it is given in our name, not in your name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- it is given openly, not secretly; and

- gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the HR Director.

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.

Customers will, on occasion, express appreciation with a gift of flowers, chocolate or wine. This policy does not prohibit the receipt of such gifts provided that you are satisfied that they are proportionate and reasonable in the circumstances. Any concern should be discussed with the HR Director. Gifts of a value in excess of £25 must always be disclosed to the HR Director.

Gifts from customers or 3rd parties such as suppliers should always be disclosed to the HR Director.

What is not acceptable?

It is not acceptable for you (or someone on your behalf) to:

- 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;
- 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;
- 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;
- 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;
- threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy;
- offer legal services to a client or instructing officer on a personal basis (eg residential conveyancing or preparation of a will) at a reduced rate or at no cost (pro bono) with the expectation that it will obtain a business advantage or
- engage in any activity that might lead to a breach of this policy.

Procedure

Employees and, where relevant, associated persons should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to the HR Director. The gift and hospitality form is available in the public drive under HR_Info. This will set out in writing:

- the objective of the proposed client entertainment or expenditure;
- the identity of those who will be attending;
- the cost of the entertaining, if more than £150;

- the organisation that they represent; and
- details and rationale of the proposed activity.

The Group will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. The Hendy Group will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).

Any gifts, rewards or entertainment received or offered from customers, suppliers, public officials, suppliers or other business contacts should be reported immediately to the HR Director.

In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment and employees and associated persons may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real or perceived conflict of interest. Again, as a general rule, small tokens of appreciation, such as flowers or a bottle of wine, may be retained by employees.

If an employee or associated person wishes to provide gifts to suppliers, customers or other business contacts, prior written approval from the HR Director is required, together with details of the intended recipients, reasons for the gift and business objective.

Employees and, where applicable, associated persons must supply records and receipts, in accordance with the Group's expenses policy.

Donations

The Hendy Group does not make contributions to political parties. They 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 HR Director.

Reporting suspected bribery

Principle

The Hendy Group depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Employees and associated persons are requested to assist the Group and to remain vigilant in preventing, detecting and reporting corruption or bribery.

Employees and associated persons are encouraged to report any concerns that they may have to the HR Director as soon as possible. Issues that should be reported include:

- any suspected or actual attempts at corruption or bribery;
- concerns that other employees or associated persons may be being bribed; or
- concerns that other employees or associated persons may be bribing third parties, such as customers, suppliers or government officials.

Procedure

Record any incidents of suspected corruption or bribery and inform the HR Director as soon as possible. Any such reports will be thoroughly and promptly investigated by the HR Director and relevant Group Director in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected corruption or bribery.

Employees or associated persons who report instances of corruption or bribery in good faith will be supported by the Group. The Hendy Group will ensure that the individual is not subjected to detrimental treatment as a consequence of his/her report. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence. An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, employees and associated persons should not agree to remain silent. They should report the matter to the HR Director.

Action by the Company

The Hendy Group will fully investigate any instances of alleged or suspected corruption or bribery. Employees suspected of corruption or bribery may be suspended from their duties while the investigation is being carried out. The Group will invoke its disciplinary procedures where any employee is suspected of corruption or bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. The Group may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Group who are found to have breached this policy.

The Group may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the police. The Group will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

Review of procedures

The Hendy Group reserves the right to amend and update this policy as required and the HR Director has been nominated to review this policy. For the avoidance of doubt, this policy does not form part of employees' contract of employment.

Reviewed and updated on 26th January 2015



Clare Hendy Chartered MCIPD
HR Director

It's all about you.

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 the compliance manager:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) 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;
- (c) 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;
- (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 you provide employment or some other advantage to a friend or relative;
- (j) you receive 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) you notice that we have been 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 us;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party.