

Anti-bribery and Corruption Policy

Introduction

The Bribery Act 2010 has been introduced to help combat bribery and corruption. It applies to all commercial organisations in the UK and overseas companies that have a presence in the UK with effect from 1st July 2011.

The Act makes the following activities illegal

- promising, offering or giving of a bribe (active bribery)
- requesting, agreeing to receive or accepting of a bribe (passive bribery)
- bribery of a foreign public official
- failure to prevent bribery by a commercial organisation

Our company culture and ethics mean that we do not bribe or use any other means to improperly influence the decisions of clients, potential clients or government officials. We do not offer or provide bribes directly or through a third party. We do not bribe even where it might be a generally accepted practice, when competitors do so, or for any other reason.

What is a bribe?

Under the Act a person is guilty of an offence where they offer, promise or give a 'financial or other advantage' (for example cash, gifts, corporate hospitality, provision of free services such as training or letting someone off paying an outstanding debt) that is

- intended to make someone perform a function or activity improperly, or reward them for having done so, or
- offered or given knowing that it would be improper for them to accept it.

In addition, a person who receives or potentially will receive a bribe is guilty of an offence if that person requests, agrees to receive or accepts a financial or other advantage:

- if the person intends that a function or activity is improperly performed;
- if the request, agreement or acceptance itself is the improper performance of a function or activity;
- as a reward for the improper performance of a function or activity,

or where a relevant function or activity is improperly performed by a person in anticipation or in consequence of requesting, agreeing to receive or accepting a financial or other advantage.

The Act also provides that a commercial organisation is guilty of an offence if a person associated with that organisation (for example, employees, agents or subsidiary companies) bribes another person with the intention of obtaining or retaining business or a business advantage.

Gifts and Entertainment

It is not necessarily the case that we can no longer accept what would be considered as an insurance industry norm of gifts and entertainment. However, we should ensure they are proportionate and reasonable to accept considering the purpose of the gift/entertainment and the nature of the relationship with our providers/clients. If the gift or entertainment being offered is unusually high in value with regard to the business relationship then these could well be construed as inappropriate and raise a question as to whether this could in fact be a bribe.

Our Gifts and Entertainment Policy requires our employees to refer any gift over the value of £75 before accepting it. Any gift or entertainment, including those that are declined, must be recorded on our Gifts and Entertainment Log.

Penalties

Any person found guilty of a bribe can be subject to an unlimited fine and/or a prison sentence of up to 10 years. Our directors and senior management can also be open to such punishment as well as enforcement action from the FCA if the bribe was committed by one of our employees or business associates.

Naturally, our professional reputation would be at risk if found guilty of committing a bribery offence and indeed may involve the FCA withdrawing our authorisation.

Avoiding Prosecution

It is essential to demonstrate adequate procedures are in place to help prevent a bribe being committed. This includes through our company, employees or business associates such as insurers, other intermediaries, Appointed Representatives, Introducer Appointed Representatives and anyone else with whom we have a direct contractual relationship.

Our firm could face prosecution by the Serious Fraud Office (SFO) for any form of bribery and/ or corruption where it is in the public interest to do so.

The guidance provided by the government does not set out firm rules on how to avoid prosecutions under the Act, but it offers six principles that we should follow when considering our procedures. These are documented in Appendix 1.

Action required by all colleagues

All colleagues should make sure they:

- Do not accept, give, offer or promise anything of value from/to a client or prospective client unless it is legal, reasonable, and free of any intent or understanding or appearance that it will or could influence a business decision.
- Raise a concern whenever they learn of any sign or “red flag” that a colleague, third party or other agent of our company may be engaged in any attempt to improperly influence a decision of a client or potential client.
- Never record a transaction in a way that disguises its true nature, such as booking the cost of entertaining a client as a “consulting fee” or a “training expense.”
- Understand our Gifts and Entertainment Policy and Anti-bribery and Corruption Policy. Refer to Andy Thumwood if you have any queries. Failure to comply with these policies could result in instant dismissal.
- Familiarise themselves with their obligations under the Bribery Act 2010 as stated in their employment contracts and job description.
- Refer any donation or sponsorship requests to either Ben Burford or Andy Thumwood.

- Do not place business with an insurer, solely based on the fact that they have provided free training; our clients' requirements must take priority.
- Never provide government officials with any form of cash, gift, entertainment or reimbursement for promotional, travel or any other expense without reference to Ben Burford

All colleagues should be aware of

- Requests for payments to a party unrelated to a transaction, or for payments in cash.
- Third parties or agents who are deemed valuable for their personal ties rather than for their services, or who request compensation out of proportion to the value of their services.
- Requests to engage third parties without a written contract, always refer them to Andy Thumwood
- Client requirements to engage specific third parties.
- Client requests for favours, such as job interviews for family members.
- Gifts or hospitality that could be seen as lavish or inappropriate.
- Conditional requests for donations to charities or political parties.

Increased checks and supervision

Some transactions are more vulnerable to bribery and corruption. For example, overseas businesses could pose a higher risk so we may require more stringent and comprehensive compliance and supervisory procedures. Also the types of firm we deal with may be higher risk such as airlines, oil companies, telecommunications providers, financial institutions, public bodies or officials. Please refer any concerns that you may have with higher risk clients to Ben Burford or Andy Thumwood

The use of other intermediaries, joint venture partners and outsourcing partners may also put us at risk. It is vital that you do not enter in to any new business arrangement with a third party without prior reference to Andy Thumwood.

What do you do if you suspect or are offered a bribe?

It is important that you report any bribery or corruption related concerns/suspensions, please refer to your manager or another senior manager to discuss your concern. Alternatively, if you do not feel comfortable to do this, please refer to our Whistleblowing Policy which offers further guidance on how to report your concern.

Senior Management duties

We acknowledge that our senior management team is fully engaged in our ethical approach to business and we communicate clearly to all colleagues that we have zero tolerance to any form of bribery or corruption.

Senior management are aware of the procedures detailed within this policy and our 'Anti-Bribery and Corruption Risk Assessment and Action Plan'. In particular, reference to the procedures must be made when:

- Recruiting and vetting new employees
- Vetting existing employees on an ongoing basis
- Considering introducing new employee bonus payments
- Reviewing management and colleagues' expenses
- Authorising payments to third parties
- Authorising sponsorships and donations to charitable and political groups
- Conducting due diligence checks when:
 - Appointing new third parties such as Introducer Appointed Representatives, Appointed Representatives
 - Considering a merger or acquisition of a new business

Reporting an incident or suspicion

The question of whether to report an incident or suspicion to the regulator or one of the prosecuting authorities can be a complicated one, as it often depends on the circumstances. We will take legal advice on how best to proceed.

Generally, any report of suspected bribery or corruption would be made to the Serious Fraud Office (SFO), the lead authority for domestic and overseas bribery and corruption. The SFO's Anti-corruption Team will decide if the matter is best dealt with by the SFO or whether to pass it on to another agency such as City of London Police. In either case, we will need to consider whether we should report the matter to the FCA, depending on the circumstances.

Reports to the SFO can be made via:

- Website – <https://report.sfo.gov.uk/providing-information-to-the-sfo.aspx>
- Hotline – 020 7239 7388

Record keeping and regular management information (MI) review

It is important that we keep records to show that we are complying with our policy and procedures. For example, where corporate hospitality above a certain level requires sign-off at a senior level, we should keep records that demonstrate that we have complied with that policy in practice.

Anti-bribery and corruption is a standing item on our management meeting agenda and minutes are noted accordingly. During our management information review we consider information relating to:

- **Third parties** - including (but not limited to) new third party accounts, their risk classification, higher risk third party payments for the preceding period, changes to third party bank account details and unusually high commission paid to third parties.
- **Gifts and entertainment** - validity and sign off of any gifts or hospitality over our normal financial limit
- **Insurer training** – observing sudden changes in trends of placement of business with an insurer
- **Sponsorships and donation requests** – validity of request, ensuring there is no personal gain as a result of payment

Training and communication

It is essential that we provide all of our management and colleagues with initial and annual refresher training regarding anti-bribery and corruption. We must retain records of those who attended the training to ensure that every colleague is made aware of their obligations.

The risks we face and the effectiveness of our procedures may change over time. We will therefore, keep an eye on the anti-bribery steps we have taken to ensure they remain appropriate and effective. In any event as a minimum, we will review our policy on an annual basis and where we make changes we will make a record of these and communicate them to all colleagues.

Appendix 1 – 6 Principles

Principle 1

Proportionate Procedures

A commercial organisation's procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of the commercial organisation's activities. They are also clear, practical, accessible, effectively implemented and enforced.

Principle 2

Top level commitment

The top-level management of a commercial organisation (be it a board of directors, the owners or any other equivalent body or person) are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable.

Principle 3

Risk assessment

The commercial organisation assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented.

Principle 4

Due diligence

The commercial organisation applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.

Principle 5

Communication (including training)

The commercial organisation seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.

Principle 6

Monitoring and review

The commercial organisation monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

With these principles in mind we have assessed our exposure to potential bribery and corruption risks and have recorded these along with details of our procedures that we deem adequate, to help prevent any bribery or corruption activity.