



## **Anti-Bribery and Corruption Policy**

### **Statement**

**It is the policy of Vp plc (“the Group”) to conduct business in an honest manner and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.**

**This policy extends to all the Group’s business dealings and transactions wherever they are conducted.**

**This policy has been adopted by the Plc Board and is to be communicated to all employees.**

### **1. The Bribery Act 2010**

1.1 The Bribery Act 2010 was introduced to update and enhance UK law on Bribery including foreign bribery in order to better address the requirements of the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. It is now amongst the strictest legislation internationally on bribery. Notably, it introduces a new strict liability offence for companies of failing to prevent bribery. The Bribery Act creates four prime offences:

- Two general offences covering the offering, promising or giving of an advantage (active bribery), and requesting, agreeing to receive or accepting of an advantage (passive bribery);
- A discrete offence of bribery of a foreign public official; and
- A new offence of failure by a commercial organisation to prevent a bribe being paid to obtain or retain business or a business advantage. Should an offence be committed, it will be a defence that the organisation has adequate procedures in place to prevent bribery.

1.2 The penalties for companies, boards and officials are raised significantly. The Bribery Act provides that an offence committed by a body is punishable by a fine (which is unlimited if the company is convicted on indictment). An individual guilty of an offence would be liable to conviction on indictment to imprisonment for a term not exceeding ten years or to a fine, or both.

### **2. What is Bribery and Corruption?**

Bribery and corruption have a range of definitions in law but the fundamental principles apply universally.

- 2.1 Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.
- 2.2 Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.
- 2.3 Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant.
- 2.4 The person being bribed in generally is someone who will be able to obtain, retain or direct business. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks such as licences, customs, taxes or import/export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

### **3. What is a Bribe?**

- 3.1 Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'quid pro quo' – both parties will benefit. Typically a bribe could be any of the following:
  - the direct or indirect promise, offering, or authorisation, of anything of value.
  - the offer or receipt of any kickback, loan, fee, reward or other advantage.
  - the giving of aid, donations or voting designed to exert improper influence.

### **4. Committing Bribery or Corruption**

- 4.1 In the eyes of the law, bribery and corrupt behaviour can be committed by:
  - an employee, officer or director
  - any person acting on behalf of the Company (third-party representatives – see Section 6)
  - individuals and organisations where they authorise someone else to carry out these acts
- 4.2 Acts of bribery and corruption may involve public or government officials. For the purposes of this policy, a government official could be:
  - a public official, whether foreign or domestic
  - a political candidate or party official
  - a representative of a government-owned/majority-controlled organisation.
  - an employee of a public international organisation (e.g. World Bank)

### **5. Steps to be taken to prevent Bribery and Corruption**

The following steps can be taken to assist in the prevention of bribery and corruption:

## **Risk Assessment**

Risk identification highlights the specific areas in which the Group may face bribery and corruption risk and enables the evaluation and mitigation of these risks. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary. Divisional management must assess the vulnerability of each business unit to these risks on a regular basis.

## **Accurate Books and Record-Keeping**

In order to monitor for potentially inappropriate transactions it is important to ensure, in accordance with the Group's accounting policies that complete and accurate books, records and financial reporting are maintained within each business unit. Similarly third party representatives working on Vp's behalf should be requested to ensure they have complete and accurate books and records. False, misleading or inaccurate records of any kind could indicate the possibility of inappropriate payments.

## **Effective Monitoring and Internal Control**

In accordance with existing policies divisions must maintain an effective system of internal control. Once bribery or corruption risks have been identified via the risk assessment process, procedures can be developed within a comprehensive control and monitoring programme in order to help mitigate these risks on an ongoing basis.

Each divisional Managing Director must ensure that their divisional management take reasonable steps to prevent bribery and corruption. As these steps will vary by geography and business unit, Divisional Managing Directors should, if necessary, consult with the Group Finance Director, who will make available guidelines, principles and methodologies for the identification, mitigation and monitoring of these risks.

## **6. Typical Bribery and Corruption Risk Areas**

### **Use of Third-Party Representatives**

Third party representatives could describe any number of parties including but not limited to agents, distributors, consultants and joint venture partners. **Risk can occur under the Act where a third party conducts business activities on Vp's behalf and where the result of their actions is seen to be benefitting Vp.** Divisional Managing Directors are responsible for the evaluating where risks of this nature may arise as a result of third parties working with their Division. Group Head Office suppliers will be evaluated by Group Finance. This evaluation should include:

- Evaluating the background, experience and reputation of the third-party
- Understanding the services to be provided, and methods of compensation and payment.
- Ensuring there are authorisation controls in place which should reasonably prevent and / or detect inappropriate payments via a third party

- Ensuring that third-parties are aware of, understand and are in compliance with this policy.

Under the Act Vp is ultimately responsible for ensuring that third parties who potentially pose a risk are compliant with this policy as well as any local laws. Ignorance or “turning a blind eye” is not an excuse. As the third party evaluation process will vary by business unit and type of third party, local management should consult in the first instance with their Divisional Managing Director, who will make available guidelines, principles and methodologies. Divisional Managing Directors should consult with the Group Finance Director where necessary.

### **Gifts, Entertainment and Hospitality**

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to Vp’s business. These activities are acceptable provided that they fall within the reasonable bounds of value and occurrence.

#### *What is acceptable?*

Employees should ask themselves the following:

- What is the intent – is it to build a relationship or is it something else?
- How would it look if these details were on the front of a newspaper?
- What if the situation were reversed – would there be a double standard?

If an employee finds it difficult to answer one of these questions there may be a risk involved which could damage Vp’s reputation and business or could be unlawful.

#### *Circumstances which are never acceptable*

Circumstances that involve:

- a ‘quid pro quo’ (offered for something in return)
- gifts in the form of cash/or cash equivalent vouchers
- entertainment of a sexual or similarly inappropriate nature

are never acceptable.

As a rule, Vp employees and third-parties should not provide gifts to, or receive them from government officials. In some cultures gift giving and receiving is the norm, employees should consult their Divisional Managing Director for advice before proceeding in these circumstances. However, please note that under the Bribery Act local culture is not an acceptable reason for gifts which do not comply with this policy.

### *Usually acceptable*

Circumstances that are usually acceptable include:

- modest/occasional meals with someone with whom we do business
- occasional attendance at ordinary sports, theatre and other cultural events
- gifts of a nominal value, such as pens, or small promotional items

If an example does **not** fall under the above categories, please in the first instance seek guidance from your Divisional Managing Director. Generally, such examples would not be permissible without prior approval.

### *Limits*

Each Division should establish a monetary range of acceptable values for gifts, meals and entertainment which can be accepted or provided without prior approval from your Divisional Managing Director (Group Finance Director in the case of Group Head Office and Group Managing Director in the case of Divisional Managing Directors); this should not exceed £250 per person. The Divisional limits should be agreed with the Group Finance Director.

### *Transparency*

Each Division must maintain and monitor a register of gifts, entertainment and hospitality for all gifts or hospitality with a value over £250. Any form of gift, entertainment or hospitality given, received or offered which meets or exceeds this limit will need prior approval by the Divisional Managing Director (Group Finance Director in the case of Group Head Office and Group Managing Director in the case of Divisional Managing Directors). In addition in the event that a gift, entertainment or hospitality has been accepted which breaches this policy, this must also be recorded in the register and notified to the Group Finance Director.

### **Facilitation Payments**

In many countries, it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process. These types of payments are against Vp policy and are illegal within the UK as well as within most countries in which Vp operates.

In the event that a facilitation payment is made under duress, or if an employee/3rd party is faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed. If an employee/3rd party is placed in such a situation they must contact the Divisional Managing Director as soon as possible and record the payment appropriately in Vp's books and records to reflect the substance of the underlying transaction.

If an employee/3rd party is unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact your Divisional Managing Director.

## **7. Reporting Concerns**

All Vp employees/3rd parties have a responsibility to help detect prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing.

In the first instance any concerns that a corrupt act is being considered or carried out by either Vp, a third party or a competitor, should be reported to the employees line manager in accordance with the Whistleblowing policy in the staff handbook.