

BRIBERY / CORRUPTION AND HOSPITALITY POLICY AND PROCEDURE

1.0 INTRODUCTION

The Bribery Act 2010 aims to promote anti-bribery practices amongst businesses and came into force on 1 July 2011. An organisation will commit a criminal offence if it fails to prevent bribery that is intended to get or keep business, or gain a financial or other advantage in the conduct of business for the organisation. The organisation has a legal obligation to prevent bribery.

2.0 PURPOSE OF POLICY

The purpose of this policy is to document rules and regulations surrounding the offering or accepting of gifts and/or hospitality in order to ensure that all employees are aware of what is/is not acceptable. It also details the process to follow should a gift be offered during the course of employees' day-to-day business activities. In addition, it is designed to minimise the risk of damaged public confidence in the organisation.

All staff employed by the organisation are inevitably in contact with a variety of businesses, organisations and business people. It is important, therefore, that they should treat with caution any offer of a gift, favour or hospitality that is made to them personally.

3.0 SCOPE

This policy is applicable to all staff and management employed by Bee Lighting. All consultants and individuals employed by an agency or on secondment to the organisation and anyone representing the organisation at any time, must also comply with this policy and guidance. It is also applicable to the Directors.

3.1 The term "organisation" will be referred to throughout this policy and therefore relates to the company as stated in point 2.0.

3.2 This policy was first introduced on 1st May 2014.

4.0 DEFINITION OF BRIBERY

For guidance and clarity, under the legislation, the following definitions are given as to what constitutes bribery:

- Bribing – the offering, promising or giving of an advantage.
- Being bribed – requesting, agreeing to receive or accepting an advantage.
- Bribing a foreign public official.

The "corporate offence" is where a commercial organisation fails to prevent persons performing services on its behalf from committing bribery.

Further definitions are given below as to the two different categories of bribery:

4.1 Active Bribery

The offering, promising or giving of a bribe

4.2 Passive Bribery

Requesting, agreeing to receive, or the accepting of a bribe.

5.0 CODE OF CONDUCT

Employees involved in providing client services or anyone representing the organisation should take particular care. Specific rules applicable to this area are set out later in this document. This is to ensure that there can be no criticism that unequal treatment has been given to external organisations involved in a tender process.

In cases of doubt where an employee or line manager is concerned about issues relating to the acceptance or giving of hospitality, the matter should first be discussed with the Directors who will advise based on the specific circumstances at the time.

6.0 EXTORTION

Any acts of extortion which include threats to employees, customers or suppliers will not be tolerated. Disciplinary action will be followed.

7.0 HOSPITALITY

It is accepted that, due to the nature of our business, there will be occasions where clients extend hospitality towards our employees. The organisation views this as an acceptable part of its business activities as long as the hospitality which is extended supports a legitimate business activity and is not accepted by employees for personal gain. The employee must attend all hospitality events extended to a client. If a client is accompanied by a member of their own family, then this must be paid for by the client/member.

The organisation recognises that there may be some confusion in the differential between hospitality and bribery / corruption. Therefore, the following guidance should be followed.

7.1 Acceptance of Hospitality and Gifts

- Invitations to lunch/dinner from an external organisation - these should only be accepted where the primary reason for accepting an invitation is to discuss business matters with the representatives of the hosting organisation or with representatives of other organisations that may have business interests or activities in common. Employees should consider whether the invitation is reasonable and proportionate and whether it could be seen to influence or tarnish a business decision subsequently made by the employee. In these circumstances, the invitation should not be accepted. If further clarification is needed, then seek advice from the Directors.
- If the value of the lunch/dinner exceeds £50, then details should be recorded.

- Invitations to conferences and trade shows - it is recognised that participation in certain events such as supplier or industry conferences, seminars and trade shows can be of particular value where they support the Company's knowledge or understanding of a particular area. For such events, the hospitality element should be incidental to the event and relevant business information is expected to be gained through attendance.
- Travel/Overnight Accommodation - generally should not be accepted unless the employee is speaking at a conference and travel and accommodation is provided by the organisers.
- Repeated Invitations - these are deemed to be inappropriate and any employee who has accepted hospitality of a social kind from an external organisation in excess of 3 occasions should not accept any further invitations of a similar type from the same organisation within a the rolling twelve month period. Should an employee be offered more than 3 then this should be recorded.
- Acceptance of Gifts - defined as items given without the expectation of receiving anything in return. (See also section 8.0. for HMRC rules). Gifts with a value over the "small gift" category but under £100 can be accepted but must be recorded. Gifts should not be accepted where they may appear to be disproportionately generous or could reasonably be construed as an inducement to affect a business decision. No employee should ever accept any form of money as a gift. Offers of money should in any form (cash, commission) should be recorded. Any gifts offered which are not of a trivial nature (i.e. commercial value in excess of £100) should not be accepted by the individual and reported to the Directors. An employee who has received in excess of three gifts from any external organisation within a single financial year should not accept any further gifts during that financial year from the same organisation.
- Small items - such as: beverages, sandwiches, pens, diaries, wine, chocolates, vouchers which are of no significant value (under £25) may be accepted and do not need to be recorded.

No employees should accept gifts or hospitality that might reasonably be thought to influence or intended to influence their judgement.

No employees should accept gifts or hospitality that would in any way bring discredit to the organisation.

When accepting "hospitality" that has nothing at all to do with the work or the organisations, e.g. purely social events - Premier League football tickets, sporting events, golf days, horse racing, it may be difficult to justify under the rules of this policy. However, they may be accepted as long as they are declared and recorded so that an audit trail exists.

7.2 Provision of hospitality and Gifts

Employees must be aware of the implications of any hospitality they offer/provide to clients and ensure that it is an act of genuine hospitality and not a bribe (which is now illegal).

It is recognised that corporate hospitality is a part of everyday business dealings and this policy is not in place to prevent current marketing and PR activity which supports this. However, it is important to be aware of and adhere to the following:

- Invitations to an external organisation to lunch/dinner - these should only be offered where the primary reason for the invitation is to discuss business matters with the representatives of the guest organisation. These invitations should be reasonable, proportionate and not considered to influence or tarnish any subsequent business decision made by the guest. Any hospitality provided over a value of £50 must be recorded.
- Invitations to conferences and trade shows - it is recognised that participation in certain events such as supplier or industry conferences, seminars and trade shows can be of particular value where they support the Company's knowledge or understanding of a particular area. For such events, any hospitality element should be incidental to the event and relevant business information is expected to be gained through attendance. Any hospitality provided over a value of £50 must be recorded.
- Travel/Overnight Accommodation - generally should not be offered.
- Any hospitality provided over a value of £50 must be recorded.
- Repeated Invitations - care must be taken to ensure that hospitality forms a fundamental part of the organisation's Marketing and PR and, through the execution of the strategy, is applied fairly and consistently to those organisations which meet the criteria above. It is imperative to ensure that an organisation is not singled out for excessive or disproportionate hospitality opportunities.
- Offering of Gifts - defined as items given without the expectation of receiving anything in return. Gifts should not be offered where they may appear to be disproportionately generous or could reasonably be construed as an inducement to affect a business decision.
- Small items - such as: pens, diaries, mouse mats which are of no significant value (under £25) may be offered/given if this forms part of a legitimate business activity. This category of gift does not need to be recorded. Anything over £25 can be offered but must be recorded and nothing over £100 should be offered

8.0 OVERSEAS BUSINESS TRIPS

- 8.1** It is recognised that cultures are very different to the UK in other parts of the world, where local customs may be different to recognised law in that country. It is therefore important to ensure a full knowledge of the local laws in the country in question when planning overseas business trips and delegates are fully briefed of these in advance.

9.0 HMRC GUIDELINES

9.1 Gifts to employees

The rules surrounding gifts and benefits and whether these are taxable or not are complex and the following is intended for guidance only. It is not possible to list all factors that will determine with certainty whether or not a gift is taxable as earnings. However, a gift does not count as earnings if it is made:

- on personal grounds (i.e. a wedding present) or
- As a mark of personal esteem or appreciation.

Therefore, if the gift is seen as a genuine one - i.e. a personal and unexpected gift of gratitude, then the payment is not earnings related.

Any gifts made to an employee must be dealt with in accordance with the normal reporting, tax and NICs rules for the items.

9.2 Business Gifts to external organisations

HMRC will allow a company to give a business gift worth up to £50 to any one person in any one tax year. The gift must be a business gift (i.e. diary) and must not be food, alcoholic drink, tobacco or vouchers which are exchangeable for food, drink or tobacco. The gift must carry a conspicuous advertisement for the company in order to avoid being classified as entertainment expenses which would not be allowable. If the gift costs more than £50, HMRC will disallow the whole amount, not just the amount of £50.

10.0 OPERATIONAL PROCEDURE

Each member of staff has a personal responsibility to ensure that an audit trail exists for all receipts and offers of gifts or hospitality, and should complete the Hospitality form (Appendix A) to notify the Directors of gifts and hospitality received by/offered to Company employees, whether the offer is accepted or not.

The organisation will maintain a register of Gifts and Hospitality in accordance with the form and shall make this available for inspection as required.

Any offer of a bribe or commission made by external organisations, or anyone else dealing with the Company must be reported to the Directors.

Where an offer is accepted, a proven breach of this policy will constitute gross misconduct and may lead to disciplinary action.

For ease of reference, the following table summarises the organisation's rules and recording guidelines:

Category	Received by staff	Given to Client from Bee Lighting	Given to staff by Bee Lighting
Lunch/Dinner/Conference/Trade Show/Travel/Overnight accommodation	> £50.00	> £50.00	Only allowable if mark of personal esteem/personal gift
Social Invitations	Record all	Record all	
Gifts	<£25 - don't record £26-£100 - record > £100 - don't accept	£10-£50 - record > £50 refer to SMT/HR	
Repeat Gifts and Invitations	> 3 - don't accept	Fair and consistent	

Should you require any further information relating to this policy, please contact Human Resources.

HOSPITALITY FORM

Name of Employee:

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Department:

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Position:

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Given/offered by client if value over £50.00: (Please give details)

Lunch/Dinner

Invitation to Conference/Trade Show

Travel/Overnight Accommodation

Other

Reason for hospitality

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Accepted Yes/No

Has this client offered/given any of the above in the last 12 months. If so, please give details below:

Date:

Amount in £ Approximately: