# **POLICY**

Calrec Audio Limited has a zero tolerance of bribery and corruption.

Bribery is “the giving, receiving, soliciting or promising of money, a gift or anything else of real or implied value as an inducement to do something that is dishonest, illegal or a breach of trust in order to secure business or a business advantage”.

Whilst we respect the rules by which others conduct their own business, these are the principles by which we conduct our business:

* To carry out our business fairly, honestly, openly and with integrity.
* Not to make bribes, nor condone the offering of brines on our behalf.
* Not to accept bribes, now will we agree to them being accepted on our behalf.
* To ensure that there are in place adequate procedures to assess and control the risk of bribes and to keep such procedures under review.
* To keep clear and updated records.
* To adequately communicate such policy to our business partners and, where they act on our behalf, to ensure their compliance with the policy.
* To effectively communicate the policy to our employees and to provide adequate training and support to them to enable them to implement the policy.
* To provide our employees appropriate means of reporting bribery or raising concerns in relation to the policy without fear of prejudice or retribution.

The Board recognises that any violation of anti-bribery and corruption laws could subject the directors and employees to severe penalties including unlimited fines and imprisonment.

Compliance with this policy will be made an express term of all employees’ contract of employment and breach of the policy will be subject to disciplinary action including, where appropriate, dismissal.

This policy applies to Calrec Audio Limited and all subsidiaries and business partners.

This policy was adopted by the Board on 7 August 2012.

# **IMPLEMENTATION & GUIDANCE**

* 1. **The Act**

Th Bribery Act 2010 (The Act) contains two general offences covering the offering, promising or giving a bribe (ACTIVE BRIBERY) and the requesting, agreeing to receive or accepting of a bribe (PASSIVE BRIBERY). It also sets out two further offences which specifically address commercial bribery. These are:

* Bribery of Foreign Public Official in order to obtain or retain business or an advantage in the conduct of business, AND,
* Corporate liability for failing to prevent bribery on behalf of a commercial organisation.

# **Jurisdiction**

The Act also provides that the UK Courts will have jurisdiction over offences committed in the UK, but also over offenses committed outside the UK where the person committing them has a close connection with the UK by virtue of being a British National, or ordinarily resident in the UK, or a person performing services for or on behalf of a body incorporated in the UK. It does not matter whether the offences take place in the UK or elsewhere. The UK courts have jurisdiction. There is NO corporate liability for receiving a bribe (PASSIVE BRIBERY) by a person performing services on behalf of a body incorporated in the UK. The offence is specifically related to such persons offering or giving a bribe (ACTIVE BRIBERY).

# **Hospitality & Entertaining**

Bona fide hospitality and promotional or other business expenditure which seeks to improve the image of a commercial organisation, better present its services, or establish cordial relationships, is recognised as AN ESTABLISHED AND IMPORTANT PART OF DOING BUSINESS. The Act does not prohibit “reasonable and proportionate” hospitality or other similar business expenditure intended for these purposes. However, the Policy recognises that hospitality or entertainment could sometimes disguise bribes or be misinterpreted as bribes.

In order to amount to a bribe there must be an INTENTION to give, offer or promise a financial, or other advantage, in order to influence someone to do something that is illegal, dishonest or in breach of trust so as to secure business or a business advantage. The basic tests which will govern the rules in under our policy are:

* Is our expenditure on hospitality and the like reasonable and proportionate?
* Is there NO INTENTION to give, offer or promise anything in order to influence anyone to do something illegal, dishonest or in breach of trust so as to secure business or a business advantage?

It is very important when considering the giving or receiving of hospitality or entertainment to have regard to any current or anticipated contractual activity with the individual or company concerned (Open contract negotiations for example). Where the other party is a Government or quasi- government official, the norm should be not to provide hospitality or entertainment unless there are specific circumstances, for example where lunch or dinner is provided in relation to a meeting and an official is present.

Under this Policy:

* We may give and accept reasonable, hosted, entertainment which is in the legitimate interest of our business.
* We will not give or receive lavish or frequent entertainment or entertainment which is not hosted.
* Any entertainment of individuals or corporate entertainment must be appropriate and should not exceed the values set out in paragraph 2.4 of what we regard as reasonable and proportional.
* Any entertainment given or received which exceeds these values requires approval in accordance with paragraph 2.4.
* If there is any doubt about whether entertainment is reasonable and proportionate refer the matter to your immediate direct manager/director (as appropriate) for guidance.
* We will maintain appropriate records including registers of all entertainment given or received.

# **Reasonable & Proportionate**

In order to provide guidance as to what we will regard as reasonable and proportionate, the Board has set the following criteria applicable to the United Kingdom:

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| --- | --- | --- |
| **Activity** | **Anticipated Expenditure**  **(Limit)** | **Approval** |
| Lunch or Dinner | Up to £60 per person (£400 in  total) | Direct Manager/Director |
|  | In excess of £60 per person  (£400 in total) | Director/Managing Director |
| Corporate entertaining including sporting or theatrical  events | £250 per person (£750 in total) to include travel and  accommodation | Director |
|  | In excess of £250 per person  or (£750 in total) | Managing Director |

Th above limits apply to both customers and suppliers, both existing and potential. Entertaining the same party within a 12month period shall be subject to approval of the relevant director, irrespective of the level of expenditure.

Expenditure above these limits may still be reasonable and proportionate but will require prior approval of the relevant director or Board under this policy.

It is recognised that the equivalent values in countries outside the UK may not be a straight currency conversion and the Managing Director will set appropriate limits from time to time.

# **Gifts**

The receiving of gifts could constitute or be misconstrued as a bribe. However, the giving or receipt of small gifts is established practice in certain business sectors and territories. Similar principles as for hospitality and entertaining apply save that:

* Employees may accept gifts of small items of limited value (not exceeding £75).
* Employees should not accept gifts of valuable items (Any gift offered which is considered may have a monetary value in excess of £75 should be referred to a director for review).
* Employees should not accept gifts that are offered frequently (whatever the value).
* Any gift we give or receive must be legal under local law.
* Employees should only exceptionally make gifts to other parties and then only for a value not exceeding £75, unless there has been prior approval of a director.

# **3.0. FACILITATION PAYMENT RULES**

It is an offence under the Act to offer a bribe to a Foreign Public Official in order to obtain or retain business or an advantage in the conduct of business.

If you have any doubts about a payment and suspect that it might be a facilitation payment, then only make the payment if the official can provide a receipt or written confirmation of its legality.

If a demand for payment is accompanied by threats such that you fear loss of life, physical injury or liberty, ALWAYS, put safety first and make the payment and as soon as practicable report the circumstances to the relevant director.

Any employee will NOT be able to claim reimbursement of any facilitation payment made UNLESS:

* They have a receipt of written confirmation of its legality, or,
* The payment has been made in face of immediate threat of physical harm or loss of liberty AND has been reported to a director
* It is the specific obligation of any person who has made a facilitation payment to ensure the details of any payment is provided to their relevant director.

The Company will ensure that its business partners and agents comply with these rules.

# **4.0. REGISTERS & EXPENSES**

The Accounts department will keep a register of corporate hospitality/entertaining and gifts given and received. It is the express duty of all employees to notify the Financial Controller of the giving or receiving of gifts and, in each instance, as soon as is reasonably practicable; or prior to the even where approval is required in accordance with paragraph 2.4. Please note that business entertaining of £60 per person or less (£400 total) need not be registered unless with the same party(ies) on more than one occasion within a 12month period.

Where an expense claim is submitted that includes the cost of a gift or the hosting of any hospitality entertainment, it shall be accompanied by the following declaration:

“I confirm that in my judgement the expenditure of a gift, hospitality and entertainment is/was reasonable and proportionate, and is not/was not intended to influence anyone to do something illegal, dishonest of in breach of trust so as to secure business or a business advantage”.

# **5.0. USE OF BUSINESS PARTNERS**

The definition of a business partner is broad, and could include agents, distributors, joint venture partners or supply chain partners who act on behalf of the Company. The Company is ultimately responsible for ensuring that business partners who act on our behalf are compliant with this policy as well as any local laws. Ignorance or “turning a blind eye” is not an excuse.

Prior to the appointment of a business partner the following steps should be taken to ensure compliance with this policy:

* Establish a valid business case for the appointment.
* The relevant manager or director must carry out an assessment to establish the risks of bribery occurring including the background, experience and reputation of the business partner.
* Ensure the business partner is aware of the Company’s policy and has agreed to abide by the Policy in respect of business carried out on our behalf.
* Take reasonable and appropriate steps to monitor the transactions of the business partner.

# **DISCLOSURE PROCEDURES**

* 1. **General**

The discloser procedure is to provide a mechanism outside of the compliance procedure for employees to raise concerns that their employing company is not complying with this policy, with the confidence that they will not suffer any detriment by reason of them raising in good faith such concerns.

# **The obligation of employees and steps to be taken by the employing Company**

All employees are required to act in accordance with the following guidelines if they have concerns about the breach of this policy by their employing company:

* In the first instance the employee (the Reporting Employee) should raise such concern with his/her Managing Director, who should establish if the concern has already been considered under the internal compliance procedure and/or provide adequate explanation to satisfy the concern of the Reporting Employee.
* If by reason of the nature of the concern, or if the Reporting Employee reasonably considers that the Managing Director has not dealt with the concern adequately or at all, the Reporting Employee should raise the concern with the Chairman, Stephen Riley.
* The Managing Director or Chairman, as appropriate, will make such arrangements to investigate the concern as are reasonable and appropriate in the circumstances. The steps to be taken in the investigation will be notified to the Reporting Employee.
* On conclusion of the investigation, the Reporting Employee will be advised of the conclusion of the investigation and the steps to be taken (if any).

Subject to paragraph 6.3, the Reporting Employee must at all times keep the fact of the investigation and any documents relating to the complaint or investigation strictly confidential.

# **External Disclosure**

If the Reporting Employee has followed the above procedure in full but remains genuinely and reasonably dissatisfied with the outcome, the Reporting Employee may raise the concern confidentially with the appropriate regulatory authority. The Reporting Employee must give the Company prior notice of such action and reasonable opportunity to make representations.

The rules covering external disclosure do not apply for the purpose of taking confidential legal advice from a qualified solicitor formally instructed.

# **Protection of the Reporting Employee**

The Company confirms that a Reporting Employee that raises concerns in good faith and complies with the requirements will:

* Not be subject to disciplinary action, harassment or otherwise be prejudiced as a result of raising such concerns.
* Insofar as is reasonably practicable, the identity of the Reporting Employee will be protected and not be disclosed at any time.
* That disciplinary action will be taken against any other employee(s) found to have harassed, victimised or otherwise caused detriment to the Reporting Employee.

# **Disclosure outside this Policy**

If at any time, it is discovered that a concern has been raised vexatiously, in bad faith or with a view to personal gain, or the Reporting Employee has themselves breached the requirements of confidentiality, the Reporting Employee will lose the protection of this policy and may be subject to action under the Company’s disciplinary procedure.