

# Veritas Investment Management LLP Bribery and Corruption Policy

## Regulatory Requirements

Bribery and corrupt business practices are criminal offences under the Bribery Act 2010, whether committed in the UK or abroad. They create unfair markets, weaken trust in investment firms and are contrary to Veritas Investment Management's (VIM LLP and VIM AG) culture. Veritas is committed to ethical and legal business conduct, has a zero tolerance to bribery and corruption, and its employees, partners and directors must:

- Act legally and with integrity always to safeguard VIM's employees, resources, assets, and reputation;
- Create and maintain a trust-based and inclusive culture in which bribery and corruption are not tolerated;
- Conduct all business relationships in an ethical and lawful manner;
- Co-operate fully with law enforcement and regulators within the bounds of local regulation.

## The Bribery Act

The Bribery Act was passed into Law in the UK on 8th April 2010 and consists of four offences.

- The Criminal offence to offer, promise or give a bribe.
- The Criminal offence to request, agree to receive, or accept a bribe.
- The separate offence of bribery of a foreign public official.
- The corporate offence involving the failure by relevant commercial organisations such as VIM to prevent bribery by persons working on behalf of the firm.

Any allegation of bribery or corruption involving a VIM business area or one of its employees must be promptly reported to the VIM LLP Compliance Officer or to a VIM AG Board member, who will escalate it within the appropriate Committee or Board.

Anti-Bribery and Corruption (ABC) training will be provided to all employees on an annual basis to ensure that they understand the risks of engaging in bribery or corruption and VIM's policy requirements.

## Definitions

**Bribery** is the offer/receipt of any kickback, gift, loan, fee, reward/other advantage to/from customers, agents, contractors, suppliers, intermediaries or employees of any such party or to/from government officials, as an incentive to do something which is dishonest, illegal, improper, a breach of trust or a breach of VIM's policy or principles for the firm's or its employees' benefit or that of an employee's family, friends, or business associates.

**Corruption** is the offering, giving, soliciting or acceptance of an inducement or reward (including facilitation payments or hidden commissions) which may improperly influence the action of any person in relation to the Firm's business.

**Facilitation Payments** are improper payments made to facilitate or expedite the performance of “routine” governmental action.

**Code of Conduct** is an agreement between the firm and its employees specifying standards of behaviour expected. Employees agree to uphold these standards when they join a firm.

**Gifts/Hospitality** include items, goods, services, corporate entertainment and business assistance from which the person giving or receiving the gift/hospitality may get benefit, and any other benefit or gratuity. Employees are, for the purpose of this policy, employees, officers, consultants, contractors, casual workers and agency workers.

### **Identifying Bribery and Corruption**

VIM must establish, maintain and regularly review procedures to identify bribery and corruption, including:

**Risk assessment:** Assessing the risk of corruption and measures to manage and/or mitigate the risk, including regular risk assessments on third parties and third countries to assess bribery and corruption risks. This risk assessment is kept up to date as VIM’s services, processes and external environments evolves.

VIM follows Transparency International (TI) guidance on ABC risk assessment and tailors it to the firm’s requirements and business model. The ABC risk assessment is reviewed on annual basis to promptly act should a bribery risk emerge.

**Due diligence:** An appropriate level of due diligence must be performed at the outset of any business relationship with intermediaries and third parties. The level and depth of due diligence must increase where the risk of bribery or corruption is perceived to be higher. Due diligence covers integrity of the counterparty (this also includes key people within counterparties), capability to fulfil their part of the deal, jurisdiction risk, financial stability or strength and AML checklist assessment.

**Employment screening and practices:** Pre-employment screening is carried out on all prospective employees. This includes enhanced screening for front office functions.

Employees are expected to comply with certain standards of conduct and behaviour whilst carrying out their duties. Employment contracts include contractual obligations to follow VIM’s internal policies and procedures - contravention of any policy is recorded as a conduct breach and can lead to a disciplinary action.

**Employee training:** Employees are trained so they can identify and report bribery and corruption. All employees should understand the risks of engaging in bribery and corrupt activities and the policy requirements. VIM provides annual training on internal policies and records are retained on file.

**Reporting and advice:** Safe and confidential procedures are in place for employees to report and discuss incidents and situations where suspicions of bribery and corruption arise (minimum standards are detailed in the VIM’s Whistleblowing Policy).

## Managing Bribery and Corruption Risk

VIM manages bribery and corruption risk to avoid material risk or loss to the firm, including:

**Inducements Controls:** A Gifts and Hospitality policy is in place, which includes disclosure and Compliance pre-approval requirements for gifts and hospitality over certain value.

**Decision making:** There is a process for formal decision making at committee level in relation to taking on new service providers, in conjunction with an in-depth due diligence process.

**Financial controls:** These should be of such a nature as to prevent the making and receiving of bribes or corrupt acts, including proper authorisation procedures before any payment is made; proper selection of vendors or suppliers; and risk-based monitoring of third party relationships and payments made. VIM has in place a Compliance sign off process for all payments made. This include a four-eyes check before any payment gets final approval.

**Procurement and contract management procedures:** Such procedures are designed to decrease the opportunity for bribery and corruption. VIM's Vendors policy covers aspects about the risk assessment and due diligence carried out on any new supplier.

**Investigations:** Any allegations of bribery and corruption are properly investigated by the Compliance Team that escalates and reports to the EMC accordingly.

**External reporting:** Bribery and corruption cases will be promptly reported to local law enforcement (and regulatory bodies if appropriate).

**Disclosure process:** The following controls are in place:

- gift/hospitality registers containing all requests for approval and decisions made are established and maintained;
- appropriately senior and skilled employees are appointed to approve disclosures for gifts/hospitality above a reasonable minimum level; and
- declared gifts/hospitality are reviewed at least quarterly.

**Independent assurance:** Cordium carries out quarterly monitoring exercises to assess the extent to which risk management and governance practices are effective and systems of control are functioning in line with the firm's perceived risk appetite.

**Escalation:** VIM process for escalation is outlined within the VIM's Whistleblowing Policy.

## Policy

The following constitute the elements of the VIM Bribery and Corruption policy.

### i. Bribery, Corruption and Political Contributions

It is strictly prohibited for any employee of VIM LLP or VIM AG to engage in bribery or corrupt activities

of any kind for any purpose, including but not limited to the firm's benefit, the employee's benefit or that of the employee's family, friends, or business associates. This includes legal and regulatory requirements either in local or extra territorial jurisdictions.

VIM will not ordinarily make direct or indirect financial contributions to political parties, organisations or individuals engaged in politics.

**ii. Corporate Hospitality**

VIM may host a number of corporate hospitality events in order to promote and increase its business visibility within the industry. Corporate hospitality may be offered to third parties if it is designed to enhance the quality of the service to VIM's clients.

All Corporate hospitality events hosted by VIM LLP need to be pre-approved by the Compliance Team. Events hosted by VIM AG need to be pre-approved by a Board member.

**iii. Gifts and Hospitality**

For further information, please refer to the VIM LLP and VIM AG Gifts and Hospitality Policy.

**iv. Travel and expenses**

Employees who are required to work away from their normal place of employment are entitled to claim reimbursement of subsistence expenditure. Claims must be supported by authentic VAT receipts; expenses without receipts will not ordinarily be reimbursed.

**v. Charity donation and Sponsorships**

For further information, please refer to the VIM Group Corporate Charitable Giving Policy.

**Breaches:** This policy specifically communicates VIM's requirements for anti-bribery and corruption. Employees who deliberately breach this policy will be subject to disciplinary action, which may potentially lead to dismissal.

**Policy review**

The Compliance Team is responsible for implementing and monitoring the requirements outlined within this policy. This policy is reviewed on an annual basis.

**Record keeping**

All records relevant to bribery and corruption reports, must be kept for a period no shorter than 5 years.

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