

**Harwood Capital LLP (“The Firm”)**  
**Anti-Bribery and Corruption Policy**  
**September 2022**

## Anti-Bribery and Corruption Policy

### 1. Anti-Bribery Policy Statement:

Harwood Capital LLP and its associated companies operates its business in an honest and ethical manner. This Firm takes a zero tolerance approach to bribery and corrupt practices, and is committed to acting in a professional manner, with fairness and integrity in all its business dealings and relationships. In doing so, it will comply with all laws relevant to counter corrupt practices in all jurisdictions in which it operates, in particular the UK Bribery Act 2010, and the rules on Inducements within the FCA handbook, under [COBS 2.3](#).

- The Firm is committed to implementing, operating and enforcing effective systems and procedures to counter bribery. This policy seeks to ensure that the Firm meets its obligations under the FCA Principles for business and in accordance with the Bribery Act 2010 and other relevant legislation, operating in the best interests of its clients.
- The Firm acknowledges and understands that bribery and corruption are criminal offences and are punishable for individuals by up to ten years imprisonment, and if the Firm itself is found to have taken part in corrupt practices it could face an unlimited fine, be excluded from tendering any new engagements, and face reputational damage. As such, the Firm takes its legal responsibility and accountability very seriously, and any breach of this policy will be considered gross misconduct and formal disciplinary proceedings will be undertaken.
- The prevention, detection and reporting of bribery and other forms of corrupt practices are the responsibility of those persons employed by the Firm or those under its direct control (inclusive of temporary staff or contractors) – collectively the ‘employees’. All persons associated with the business of the Firm are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- The Firm encourages its employees to raise any concerns about any issue or suspicion of malpractice at the earliest possible point. The concerns should be reported to their personal line manager or directly to the Compliance Officer in accordance with the Firm’s Whistleblowing policy which is located on the intranet at [O:\Harwood Capital LLP\Compliance\Compliance Policies and Procedures\Compliance Policies and Procedures\SYSC – Policies](#)
- The Firm is committed to ensuring that no individual suffers any detrimental effect or treatment as a result of refusing to take part in bribery or corrupt practices, or as a result of reporting a suspicion of actual or potential malpractice in good faith as per the requirements herein contained.

The senior management of the Firm fully support the Firm’s anti-bribery stance and are actively involved in all key decisions in relation to these anti-bribery policies and procedures. The senior management retain ultimate responsibility for all internal and external communications relating to the anti-bribery policy and reviews undertaken, as well as any signoffs and training that may be delivered by the Firm.

**Chris Hart**  
**COO**

## 2. Legislation

The Bribery Act 2010 received royal assent on the 8<sup>th</sup> April 2010, and came into force on 1<sup>st</sup> July 2011 following guidance notes issued in March 2011. This was implemented to bring the UK in line with the international community under the auspices of the OECD Anti-Bribery Convention to fight bribery and corruption, in particular within developing regions and with international businesses. It has an extra-territorial reach both for UK companies operating abroad and for overseas companies with a presence in the UK. The Bribery Act creates four prime offences and a noted possible offence:

- Two general offences, covering the offering, promising or giving of an advantage (Section 1, the “Active Offence”, where it is intended to induce the improper performance of a relevant function or activity or to reward for such an improper performance - Maximum penalty: 10 years’ incarceration and/or unlimited fine); and,
- requesting, agreeing to receive or accepting of an advantage (Section 2, the “Passive Offence”, to request, agree to receive or accept a bribe whether the recipient of the bribe receives it directly or through a third party - Maximum penalty: 10 years’ incarceration and/or unlimited fine); and,
- A discrete offence of bribery of a foreign public official (Section 6, where the intention is to influence this official in the performance of his or her official functions in order to obtain or retain a business advantage – Maximum penalty: 10 year’s incarceration and/or an unlimited fine); and,
- A new offence of failure by a commercial organisation to prevent bribery (Section 7, where an associated person bribes another person with the intention to obtain or retain business or a business advantage for the Firm – Maximum penalty: unlimited fine).
- Further offences by Corporate Bodies under sections 1,2 and 6, stating that a senior person within a commercial organisation will be personally liable if an offence is committed with their involvement (Section 14, through consent, participation, knowledge or responsibility)

The new offence created confirmed that a crime can be committed by a commercial organisation which fails to prevent persons or parties associates with them from committing bribery on their behalf. ‘Associated Persons’ holds a very wide definition, and as outlines above, is not only employees of the firm, but also persons that act on behalf of the firm or perform services for it.

It is acknowledges that the Act does not “*prohibit reasonable and proportionate hospitality and promotional or other similar business intended for these purposes*”.

Guidance from the Ministry of Justice Anti-Bribery Guidance Notes published in March 2011 directly relating to the Bribery Act, suggests “*Procedures put in place by commercial organisations wishing to prevent bribery should be informed by six principles*”. These are:

- Principle 1 - Proportionate Procedures
- Principle 2 - Top-level commitment
- Principle 3 - Risk assessment
- Principle 4 - Due diligence
- Principle 5 - Communications (including training)
- Principle 6 - Monitoring and review

This policy and associated procedures and risk assessment documents have been prepared with due regard to these six key principles.

All records created further to this and other associated policies and procedures must be retained for a period of 5 years from their creation.

Under Section 7(2) of the Bribery Act 2010, it will be a defence for a commercial organisation to prove that it had adequate procedures designed to prevent persons associated with it undertaking offences under the Act.

### **3. Bribery Risk Assessment:**

The Firm has undertaken an assessment of the potential risks faced in the course of business with regard to bribery by its staff and associated persons. This considers the following external factors:

- The types of transactions the Firm deals in;
- The nature of any engagements and business partnerships;
- The jurisdictions in which we operate;
- The industries with which we have links, within which we operate;
- Any risks inherent in new business opportunities; and,
- Any other risks which may be identified in the course of the Firm's usual business.

The Compliance Officer also considered the following internal factors:

- The provision of staff anti-bribery training;
- The risk of staff and other associated persons committing bribery;
- Our remuneration policies, and whether they are likely to result in risk taking being rewarded;
- The appropriateness of our corporate gifts and hospitality policy and any charitable donations which we make as an organisation;
- The transparency and effectiveness of our financial controls;
- The clarity of message received from senior management with regards to bribery prevention; and
- Any other relevant internal factors which we may consider to have a bearing on our bribery risk profile.

The Firm adopts a risk based approach to whether it will or will not undertake appropriate due diligence on its service providers prior to an engagement for services. The Firm will assess the risk of a bribery or corruption event or situation arising on a periodic basis, and at least annually in relation to its on-going service providers.

### **4. Training and Awareness**

The Bribery Act imposes a requirement on the Firm to have a zero tolerance approach to any activities that could be considered as corrupt or effecting bribery, and the Firm must communicate this to all third parties that provide a service or a range of services at the start of any relationship.

The Firm also provides all appropriate persons associated with the business with training in this area to ensure that they remain fully aware of the Firm's procedures and the current regulatory responsibilities and obligations put upon them by the surrounding legislation. Part of this will include the provision of any required training as deemed fit, the provision of the compliance manual (inclusive of this policy), and the requirement that all staff provide attestations to adherence and understanding of these materials.

## **5. On-going Staff Responsibilities**

As highlighted in the Bribery Risk Assessment, there are several areas where associated persons performing certain roles are required to bring suspicions of bribery to the attention of the relevant body or person.

- The Senior Management of the Firm are expected to ensure that regular detailed financial accounts are obtained from the investee company and that these are reviewed in detail. Any suspicions of bribery should be brought to the attention of the Senior Management and the investee company board as soon as reasonably practical.
- The Senior Management are expected to ensure that investee companies have appropriate anti-bribery procedures and policies in place. Any suspicions that this is not the case should be brought to the attention of Senior Management and the investee company board as soon as reasonably practical.
- All associated persons are expected to ensure that if a fee is paid to an intermediary or third party that it is recorded in writing and retained on file. This person should also ensure that any payments are only made directly to an individual or investment vehicle where appropriate services have been received.
- All associated persons are expected to ensure that any gifts or hospitality to clients or potential clients of the Firm are within the guidelines laid out in the Firm's Gifts and Inducements policy.
- When the decision is taken to employ a new member of staff or bring in another partner, suitable due diligence and reference checks are carried out prior to their commencement date and that the training plan for the individual includes training and awareness of all relevant policies.

The Firm's associated persons must raise a concern to the MLRO or the Compliance Officer if they are in any way induced to enter into an event that could be considered as attempted bribery, be it in receipt of an offer, asked to make one, or have a suspicion of malpractice. For further guidance on this process, the Firm's Whistleblowing Policy should be reviewed.

In order to maintain senior management awareness of the requirements under the anti-bribery policy and the mitigation of bribery risks, these parties are presented with a bribery risk report from the Compliance Officer on at least an annual basis. This will consider the mitigation steps taken to minimise exposure to situations that could lead to bribery or corrupt practices and will also include any items recorded through the Gifts and Inducements Policy and register produced.

The Firm may update or amend this policy at any time when it is considered appropriate and will require all associated persons to consider the amendments and confirm that they understand any changes that may come into effect.

#### **6. Responsibilities of the Compliance Officer or MLRO in relation to Bribery**

In the event of any reports of bribery or suspicion of that being made by an associated person, is the responsibility of the Compliance Officer or MLRO for analysing the foundation of the reports, and making the decision as to whether they need to take the necessary steps of escalation. Where a decision has been made not to escalate, a record of the decision making process should be kept.

Where a decision has been made to escalate, the Serious Fraud Office (SFO) encourages Firms to self-report: they should be contacted through the SFO's Intelligence Unit via [confidential@sfo.gov.uk](mailto:confidential@sfo.gov.uk). Details can also be provided in writing to: SFO Confidential, Serious Fraud Office, 2-4 Cockspur Street, London, SW1Y 5BS.

The Firm should also consider the obligation to report any suspicions (to the National Crime Agency, or NCA) as per the Firms Anti-Money Laundering procedures. The Firm is aware that any benefit of a payment of a bribe will be considered as criminal property under the Proceeds of Crime Act 2002 (POCA), and understands that even if no benefit is gained from it, there is a money laundering offence where the criminal property is held. The decision whether or not to report the matter to SOCA will be made by the Compliance Officer or MLRO.