



## Solid State Group

Anti-corruption & Bribery Policy

TECHNOLOGY FOR DEMANDING APPLICATIONS

# Solid State Plc – Anti-corruption & Bribery Policy

## 1. Policy Statement

- 1.1 Solid State PLC Group values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of all staff as well as others acting on the Group's behalf is key to maintaining these standards.
- 1.2 It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.
- 1.3 We will uphold all laws relevant to countering bribery and corruption in the UK and all the jurisdictions in which we operate such as the United States Foreign Corrupt Practices Act (FCPA). However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
- 1.4 The purpose of this policy is to:
  - 1.4.1 set out our responsibilities, and of those working for us / with us, in observing and upholding our position on bribery and corruption; and
  - 1.4.2 provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- 1.5 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.6 We have identified that the following are particular risks for our business:
  - 1.6.1 Accepting gifts from customers and third parties;
  - 1.6.2 Accepting gestures of hospitality from customers and third parties ;
  - 1.6.3 Accepting sponsorship and publicity from customers and third parties; and
  - 1.6.4 Offering gifts, hospitality, sponsorship and publicity to customers and third parties.To address those risks we have implemented this Policy and are committed to taking a zero-tolerance approach to any acts of bribery or corruption and to provide guidance and support to staff so that they understand the importance of this policy for the Company.
- 1.7 In this policy, "third party" means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## 2. Who Is Covered By the Policy?

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as "workers" in this policy).

## 3. What Is Bribery?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

### **Examples:**

#### **Offering a bribe**

You offer a potential customer tickets to a major sporting event, but only if they agree to do business with us. This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential customer to accept your offer.

#### **Receiving a bribe**

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them. It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

#### **Bribing a foreign official**

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

#### **4. Gifts and Hospitality**

- 4.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.
- 4.2 The giving or receipt of gifts is not prohibited, if the following requirements are met:
  - 4.2.1 it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits
  - 4.2.2 it complies with local law
  - 4.2.3 it is given in the Company name, not in your name
  - 4.2.4 it does not include cash or a cash equivalent (such as gift certificates or vouchers)
  - 4.2.5 it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time
  - 4.2.6 taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time
  - 4.2.7 it is given openly, not secretly; and
  - 4.2.8 gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the appropriate Managing Director.
- 4.3 We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

#### **5. What Is Not Acceptable?**

It is not acceptable for you (or someone on your behalf) to:

- 5.1.1 give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- 5.1.2 give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure
- 5.1.3 accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them
- 5.1.4 accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- 5.1.5 threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- 5.1.6 engage in any activity that might lead to a breach of this policy.

#### **6. Gifts, Hospitality and Entertainment**

All group employees and "workers" are expected to conduct themselves with integrity, impartiality and honesty. Accordingly, all employees are required to follow these rules on Gifts, Hospitality and Entertainment.

You must maintain a high standard of professionalism and not open yourself up to suspicion of dishonesty or put yourself in a position of conflict between your work and your private interests.

Gifts and entertainment given and received as a reward, inducement or encouragement for preferential treatment or inappropriate or dishonest conduct are strictly prohibited.

In particular, no gifts, hospitality or entertainment may be given or accepted during a tender process or during contractual negotiations if there is any realistic risk that such gifts or entertainment could influence the outcome of such processes or negotiations.

It is important that all group employees and "workers" actions are able to withstand scrutiny, and not cause any embarrassment to the Company, yourself or any third party, including contractors or suppliers.

##### **6.1 Receiving and giving gifts**

You may accept low value token gifts such as branded pens, stationery and mouse mats produced for the purpose of being given away, if given by an existing supplier or customer. Otherwise you must politely refuse significant personal gifts such as Christmas, wedding or birthday gifts, including vouchers or cash equivalents, received from

suppliers, customers and other third parties at their company's expense. (With exception to donations to a company charity raffle).

In some parts of the world it is conventional for individuals to exchange gifts in various business related contexts. If you are engaged in business in such locations a gift can be accepted and a reciprocal gift of a reasonable value may be given, if approved by and in accordance with the Group gifts/hospitality sign off hierarchy set out on the appendix 2.

However, all accepted gifts should be registered in the hospitality/gifts register. Further guidance is included in appendix 2.

Any gifts offered must be acceptable within the Group policy and the policy of the receiver's company/organisation. If you are in any doubts about acceptability no gift should be provided.

## 6.2 Hospitality/Entertainment

Group employees may occasionally receive invitations from suppliers or others to corporate hospitality or entertainment events.

The Group policy allows sundry, reasonable instances of "entertaining" (such as meals and drinks) based on self-certification/approval, any significant "corporate hospitality" events received (such as days out, or other trips) must be pre-authorised in accordance with the sign off hierarchy set out in appendix 2.

Hospitality or entertainment may only be accepted if:-

- 6.2.1 employees or personnel from the supplier are in attendance;
  - 6.2.2 the supplier does not pay any accommodation or (more than trivial) travel expenses for Group employees;
  - 6.2.3 the entertainment and/or acceptance of it could not be interpreted as a reward, inducement or encouragement for a favour or preferential treatment; and
  - 6.2.4 It is not unduly lavish or extravagant.
- Reciprocal hospitality may be offered but needs to be approved in accordance with the gifts and hospitality sign off hierarchy (appendix 2)

## 6.3 Hospitality, Gifts and Entertainment Register

To ensure openness and transparency, all hospitality, gifts and entertainment must be recorded in the Hospitality, Gifts and Entertainment Register on a monthly basis.

The hospitality register is retained by [Lisa Bilton and Angela Harper] and it is each employee's responsibility to ensure that all hospitality, gifts and entertainment received or given are recorded in the register.

The register will be reviewed by each companies Managing Director and reported to the Audit Committee annually.

## 7. Facilitation Payments and Kickbacks

- 7.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions.
- 7.2 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the relevant Managing Director.
- 7.3 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## 8. Donations

We do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the relevant Managing Director.

## 9. Your Responsibilities

- 9.1 You must ensure that you read, understand and comply with this policy.
- 9.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

- 9.3 You must notify the relevant Managing Director as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the Appendix 1.
- 9.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers if they breach this policy.
- 10. Record-keeping**
- 10.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2 You must declare all hospitality or gifts accepted or offered, in accordance with the Hospitality, Gifts and Entertainment register guidelines set out in this policy which will be subject to audit committee review.
- 10.3 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- 10.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.
- 11. How to Raise a Concern**
- You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries or concerns, these should be raised or reported to the Managing Director of the relevant business unit consistent with the groups whistle blowing policy.
- 12. What to Do If You Are a Victim of Bribery or Corruption**
- It is important that you tell the relevant unit Managing Director as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.
- 13. Protection**
- 13.1 Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 13.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the relevant unit Managing Director immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found in the Company Handbook.
- 14. Training and Communication**
- 14.1 Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this policy.
- 14.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.
- 15. Who Is Responsible for the Policy?**
- 15.1 The board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 15.2 The relevant unit Managing Director has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.
- 16. Monitoring and Review**
- 16.1 The relevant unit Managing Director will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as

soon as possible. Internal control systems and procedures will be subject to review by the audit committee to provide assurance that they are effective in countering bribery and corruption.

- 16.2 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 16.3 Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the relevant unit Managing Director.
- 16.4 This policy does not form part of any employee's contract of employment and it may be amended at any time.

Approved by:  
Tony Frere  
Chairman

**15 May 2017**

## **APPENDIX 1**

### **POTENTIAL RISK SCENARIOS: "RED FLAGS"**

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to the relevant business unit Managing Director:

- 1.1 you become aware that a third party engages in, or has been accused of engaging in, improper business practices
- 1.2 you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials
- 1.3 a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us
- 1.4 a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made
- 1.5 a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business
- 1.6 a third party requests an unexpected additional fee or commission to "facilitate" a service
- 1.7 a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services
- 1.8 a third party requests that a payment is made to "overlook" potential legal violations
- 1.9 a third party requests that you provide employment or some other advantage to a friend or relative
- 1.10 you receive an invoice from a third party that appears to be non-standard or customised
- 1.11 a third party insists on the use of side letters or refuses to put terms agreed in writing
- 1.12 you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided
- 1.13 a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us
- 1.14 you are offered an unusually generous gift or offered lavish hospitality by a third party;

## **APPENDIX 2**

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

- All hospitality, gifts or entertainment (granted or received) over trivial (£75) will be recorded in the hospitality register.
- Approval Limits as follows:
  - Self-certification/approval for amounts less than £150
  - Business unit Managing Director pre-approval for amounts over £150 up to £750
  - Group Board pre-approval for amounts over £750
- Board Director
  - Another Board Director pre-approval
- Hospitality, Gifts and Entertainment register will be maintained by Lisa Bilton and Angela Harper on a shared drive. Each employee is required to record any Hospitality, Gifts and Entertainment received or granted.
- Audit committee will review and approve the register at least once a year.



## TECHNOLOGY FOR DEMANDING APPLICATIONS

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