

2013

F J Holdings Limited

Incorporating
Industrial Valves Limited
Industrial Penstocks Limited
Industrial Pipeline Solutions Limited
IVL Flow Control Limited
Kempster Valves & Engineering Limited

ANTI CORRUPTION FRAUD AND BRIBERY POLICY

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Anti-corruption, fraud and bribery policy

1. POLICY STATEMENT

1.1 F J Holdings is committed to conducting all of its business in an honest and ethical manner, and has a zero tolerance policy towards fraud, bribery and any form of dishonesty in its transactions.

1.2 F J Holdings will uphold all laws relevant to countering bribery, fraud and corruption in all the jurisdictions in which it operates. However, no matter where F J Holdings, its staff, members (including students) or agents operate, it and they must abide by the laws of the UK, including the Bribery Act 2010, in respect of conduct both at home and abroad.

1.3 Bribery and corruption are punishable for individuals by up to ten years imprisonment and or an unlimited fine, and if F J Holdings is found to have taken part in corruption it could also face a fine and be excluded from tendering for public contracts, as well as suffering damage to its reputation.

1.4 F J Holdings could also attract liability under the Bribery Act 2010 if a person associated with it is found to have paid a bribe on its behalf, and F J Holdings did not have adequate procedures in place to prevent such conduct. F J Holdings therefore takes its legal responsibilities very seriously. Likewise fraud may lead to civil and/or criminal proceedings.

1.5 Any allegation that a member of F J Holdings has acted in a manner that is illegal or inconsistent with this Policy will be treated seriously, regardless of the seniority of those involved. Disciplinary action up to and including dismissal or expulsion may result. Where it is believed that a criminal offence may have been committed, the police and other relevant bodies may be informed.

2. OBJECTIVES OF THE POLICY

2.1 The aims of this Policy are to:

- a. promote a culture of honesty, integrity and professionalism;
- b. set out F J Holdings' responsibilities, and of those [working](#) for or on behalf of F J Holdings, in observing and upholding F J Holdings' position on bribery, fraud and corruption; and
- c. provide [information](#) and guidance to those working for F J Holdings on how to recognise and address bribery, fraud and corruption issues.

3. APPLICATION OF THE POLICY

3.1 This Policy applies to the conduct of all members of F J Holdings and any third party acting on its behalf, a non exhaustive list of which includes permanent and fixed term staff, students, consultants, contractors, trainees, seconded staff, homeworkers, casual workers, agency staff, volunteers, interns, agents, sponsors,

agents or any other person associated with F J Holdings, any of its subsidiaries or their employees, wherever they may be located (collectively referred to as 'members') in this Policy.

3.2 F J Holdings will draw this Policy to the attention of consultants and contractors through its procurement processes, and to its agents where involved.

3.3 This Policy should be read in conjunction with other F J Holdings Policies, Procedures and Regulations such as the:

- a. Financial Regulations;
- b. Conflict of Interest Regulations;
- c. Consultancy Policy;
- d. Whistleblowing Policy; and
- e. Disciplinary Procedures.

The policies at (a) to (e) above will not apply to external agents, contractors or consultants; however external suppliers of services to F J Holdings must still comply with this policy.

4. BRIBERY

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. The advantage sought or the inducement offered does not have to be financial or remunerative in nature, and may take the form of improper performance of an activity or function.

5. GIFTS AND HOSPITALITY

5.1 F J Holdings Financial Regulations explain F J Holdings' policy towards gifts and hospitality. In either the giving or receiving of gifts or hospitality, there must be no explicit or implicit attempt to influence third parties or be influenced by third parties in relations with F J Holdings.

6. WHAT IS NOT ACCEPTABLE?

6.1 It is not acceptable for any member of F J Holdings (or someone on their behalf) to:

- a. 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;
- b. 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;

- c. accept payment from a third party that they know or suspect is offered with the expectation that it will obtain a business advantage for them;
- d. accept a gift or hospitality from a third party if they know or suspect that it is offered or provided with an expectation that a business advantage will be provided by F J Holdings in return;
- e. threaten another member of F J Holdings who has refused to commit a bribery offence or who has raised concerns under this policy; or
- f. engage in any activity that might lead to a breach of this policy.

6.2 Notwithstanding F J Holdings' zero tolerance approach to bribery, the welfare of its staff is F J Holdings' primary concern, and F J Holdings does not require its members to do anything which might jeopardise their health and or safety. In the event that members of F J Holdings are threatened or coerced into engaging in conduct which might amount to breach of this Policy, they must act in a way which will safeguard their health and safety. In these circumstances F J Holdings will not take action against the member concerned, who should report these events in accordance with section 10 below.

6.3 F J Holdings only makes charitable donations that are legal and ethical under local laws and practices. No donations of any kind must be offered or made without the prior approval of the Group Managing Director.

7. FRAUD

7.1 There is no precise legal definition of fraud. It is generally taken to involve theft - the removal of cash or assets to which the fraudster is not entitled - or false accounting - the falsification or alteration of accounting records or other documents. F J Holdings is potentially exposed Inter alia to:

7.1.2 External fraud, perpetuated by individuals outside the organisation;

7.1.3 Internal fraud, perpetuated by management or other employees; and

7.1.4 Collusion - either within F J Holdings or between staff and outsiders.

7.2 F J Holdings seeks to apply its funds to its strategic aims. Any loss through fraud will reduce the effectiveness of F J Holdings' business, and fraud or attempted fraud will be seen as a very serious matter, and will lead to disciplinary action being taken against employees, potentially leading to dismissal, and possibly to legal action against all individuals or corporate entities involved in the fraud or potential fraud.

7.3 F J Holdings will investigate all reports of fraud or potential fraud. These should be reported in the first instance to the General Manager, who will determine, in conjunction with the Group Managing Director, whether there is sufficient evidence or threat to F J Holdings to justify further investigation. It may be necessary to preserve confidentiality during investigations and any disciplinary procedures following from the investigation.

7.4 As appropriate, F J Holdings will report fraud or attempted fraud to the police. F J Holdings will give full assistance to the police in any enquiries.

7.5 F J Holdings will seek to restore its assets, or recover financial losses against fraudsters.

8. RESPONSIBILITIES

8.1 Ultimate responsibility for this Policy rests with F J Holdings Board of Directors to ensure that this Policy is applied effectively.

8.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for F J Holdings or under its control. All Members of F J Holdings are required to avoid any activity that might lead to, or suggest, a breach of this policy.

8.4 Any member of F J Holdings who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct in the case of an employee, or expulsion from F J Holdings for students and visiting academics. F J Holdings reserves the right to terminate any contractual relationship with contractors, agents or consultants if they breach this policy.

9. RECORD-KEEPING

9.1 F J Holdings must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

9.2 All staff must declare and keep a written record of all hospitality or gifts in accordance with F J Holdings' Financial Regulations.

9.3 All expenses claims relating to hospitality, gifts or expenses incurred to third parties must be submitted in accordance with F J Holdings Financial Regulations and specifically record the reason for the expenditure.

9.4 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.

10. HOW TO RAISE A CONCERN

All Members of F J Holdings are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If an individual is unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with their line manager. Concerns should be reported by following the procedure set out in F J Holdings Whistleblowing Policy, and F J Holdings will take all reasonable steps in accordance with that Policy to protect the confidentiality of those raising concerns.

11. PROTECTION

F J Holdings is 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 any member of F J Holdings believes that they have suffered any such treatment, they should inform their line manager immediately. If the matter is not remedied it may be raised formally using F J Holdings Grievance Procedure (where the individual concerned is an Employee).

12. MONITORING AND REVIEW

12.1 The Group 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 regular audits to provide assurance that they are effective in countering bribery and corruption.

12.2 This Policy does not form part of any employee's contract of employment and it may be amended at any time.

Andrew Williams

Group Managing Director

7th January 2013