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**ANTI-BRIBERY POLICY AND COMPLIANCE PROCEDURE**

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20<sup>th</sup> June 2011

angel<sup>Trains</sup>  


## Introduction

The Angel Trains Group (“**Angel Trains**”) is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on Angel Trains’ behalf is responsible for maintaining Angel Trains’ reputation and for conducting company business honestly and professionally.

Angel Trains takes a zero-tolerance approach to bribery and corruption and does not tolerate any form of bribery, whether direct or indirect, by, or of, its employees, officers, agents or consultants or any persons or companies acting for it or on its behalf.

The board and senior management are committed to implementing and enforcing effective systems throughout Angel Trains to prevent, monitor and eliminate bribery, in accordance with the Bribery Act 2010.

Angel Trains has issued this Anti-Bribery Policy and Compliance Procedure (the “**Policy**”) to outline its position on preventing and prohibiting bribery.

A breach of this Policy by an employee of Angel Trains will be treated as grounds for disciplinary action, which may result in a finding of gross misconduct, and immediate dismissal.

Angel Trains will not conduct business with service providers, agents or representatives that do not support Angel Trains' anti-bribery objectives as set out in this Policy and reserves the right to terminate its contractual arrangements with any third parties acting for, or on behalf of, Angel Trains with immediate effect where there is evidence that they have committed acts of bribery.

The success of Angel Trains' anti-bribery measures depends on all of you, and those acting for Angel Trains, playing their part in helping to detect and eradicate bribery. Bribery and corruption are criminal offences punishable for individuals by up to 10 years imprisonment and if Angel Trains is found to have taken part in corruption, Angel Trains could face an unlimited fine, be excluded from tendering for public contracts and face significant damage to our reputation. We therefore take our legal responsibilities very seriously.

You are all required to familiarise yourselves and comply with this Policy, including any future updates that may be issued from time to time by Angel Trains. You are also encouraged to report any suspected bribery in accordance with the procedures set out in this Policy. Angel Trains will support any individuals who make such a report, provided that it is made in good faith.

The Operational Risk Manager will act as Angel Trains’ Compliance Officer for the purposes of this Policy.

## Scope of this Policy

This Policy applies to all individuals working at all levels and grades, including directors, senior managers, officers, employees (whether permanent, fixed-term or temporary), temporary workers, consultants, contractors, agents, trainees, seconded staff, agency staff, and subsidiaries acting for, or on behalf of, Angel Trains and any of our subsidiaries or their employees, wherever located (collectively referred to as “*associated persons*”).

In this Policy, “*third party*” or “*third parties*” means any individual or organisation you come into contact with during the course of your work for Angel Trains, and includes actual and potential clients of Angel Trains, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## Purpose

The purpose of this Policy is to:

- outline the main areas of liability under the Bribery Act 2010;
- set out your responsibilities as employees of Angel Trains and the responsibilities of associated persons acting for, or on behalf of, Angel Trains in observing and upholding the position of Angel Trains on bribery and corruption;
- explain the consequences of any breaches of this Policy; and
- provide information and guidance on how to recognise and deal with bribery and corruption issues.

## Bribery Act 2010

The Bribery Act 2010 is in force from 1 July 2011. The Bribery Act creates individual and corporate offences. This Policy relates only to the corporate offence.

Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a function or activity; or
- knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

A relevant “*function*” or “*activity*” includes public, state or business activities or any activity performed in the course of a person’s employment, or on behalf of another company or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

A criminal offence will be committed by Angel Trains under the Bribery Act 2010 if:

- an employee or associated person acting for, or on behalf of, Angel Trains offers, promises, gives, requests, receives or agrees to receive a bribe; and
- Angel Trains does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.

In addition, a criminal offence will be committed under the Act if an employee or associated person acting for, or on behalf of, Angel Trains offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of his/her duties, where local law does not permit or require such influence.

## Prohibition

Angel Trains **prohibits** employees or associated persons from making, promising, giving, soliciting or accepting any bribes or unauthorised payments.

The bribe might be cash, a gift or other inducement to, or from, any person or company, whether a public or government official, official of a state-controlled industry, political party or a private person or company, regardless of whether the employee or associated person is situated in the UK.

The bribe might be made to ensure that a person or company improperly performs duties or functions (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for Angel Trains in either obtaining or maintaining Angel Trains' business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.

## Records

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

You and, where applicable, associated persons, are required to take particular care to ensure that all company records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

You must declare and keep a written record of all hospitality or gifts accepted or offered, either as a recipient or giver, which will be subject to managerial review. You must also record invitations and gifts which are not accepted. The Compliance Officer will maintain record books to enable you to do this – details are included in the next section of the Policy.

You must ensure all expenses claims relating to hospitality, gifts or expenses incurred for the benefit of third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

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.

## Corporate entertainment, gifts, hospitality offered to you

### *Principles*

This Policy does not prohibit acceptance of normal and appropriate entertainment, hospitality and gifts from others. However, any such practices must be proportionate, reasonable and

made in good faith. Clear records must be kept and the procedures set out below must be followed.

### *What is authorised*

Angel Trains will permit participation and acceptance of reasonable, appropriate and proportionate entertainment and promotional expenditure from third parties undertaken:

- for the purpose of establishing or maintaining good business relationships;
- to improve the image and reputation of that third party; or
- to present the third parties' goods/services effectively;

provided that the same is:

- arranged in good faith;
- not offered or promised to secure an advantage from Angel Trains or any of its employees or associated persons or to influence the impartiality of the recipient;
- does not include cash or cash equivalent (such as gift certificates or vouchers);
- appropriate in the circumstances (for instance, it is customary for small gifts to be given at Christmas time);
- given openly, not secretly; and
- taking into account the reason for the gift and the seniority of the recipient, it is of an appropriate type and value given at an appropriate time.

### *What is prohibited*

Angel Trains does not authorise, and it is not acceptable for you (or someone on your behalf) or an associated person to:

- 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;
- 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 Angel Trains in return;
- threaten or retaliate against another employee who has refused to commit a bribery offence or who has raised concerns under this Policy; or
- engage in any activity that might lead to a breach of this Policy.

In certain circumstances, it may not be appropriate to accept or retain gifts, rewards or entertainment received or offered from clients, public officials, suppliers or other business contacts and you and associated persons may be asked by Angel Trains to return the gifts to

the sender or refuse the entertainment (for example, where there could be a real or perceived conflict of interest).

As a general rule (and subject to the qualifications below) small tokens of appreciation, such as flowers or a modest bottle of wine, may be retained but you must always record all gifts, rewards or entertainment received or accepted.

To assist you in your evaluation of whether or not it is likely to be appropriate to accept a gift or hospitality from a third party, please refer to the chart appended as Schedule 1.

If in doubt, please ask for advice from the Compliance Officer.

### *Recording*

Hospitality and gifts record books are maintained in both London and Derby offices – these are located with the Risk team in London and the Office Manager in Derby.

You must record all hospitality<sup>1</sup> and gifts<sup>2</sup> received in these books, promptly after acceptance. These records will be subject to regular review by the Compliance Officer and a scanned copy of the pages from these books will be placed in AIMS to form a permanent record. As stated above, returned gifts and declined invitations must also be recorded (as they may evidence a pattern).

The onus is on each employee personally to ensure that the details of any gifts or hospitality received, accepted and even declined by them are recorded.

## **Corporate entertainment, gifts, hospitality and promotional expenditure offered by Angel Trains**

### *Principles*

This Policy does not prohibit:

- normal and appropriate hospitality and entertainment with customer, suppliers and other third parties; and
- the use of any recognised fast-track process that is publicly available on payment of a fee.

Any such practices must be proportionate, reasonable and made in good faith. Clear records must be kept and the procedures set out below must be followed.

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<sup>1</sup> It is not necessary to record minor hospitality such as tea/coffee or light lunches when accepted as part of a business meeting or with a value of less than circa £10.

<sup>2</sup> It is not necessary to record small, trivial and not unduly lavish gifts or generally available promotional items which may be customarily offered by companies such as diaries, calendars, pens with a value of less than circa £10.

### *What is authorised*

Angel Trains will authorise reasonable, appropriate and proportionate entertainment and promotional expenditure. Accordingly, Angel Trains will permit corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:

- for the purpose of establishing or maintaining good business relationships;
- to improve the image and reputation of Angel Trains; or
- to present Angel Trains' goods/services effectively;

provided that it is:

- arranged in good faith;
- not offered, promised or accepted to secure an advantage for Angel Trains or any of its employees or associated persons or to influence the impartiality of the recipient;
- does not include cash or cash equivalent (such as gift certificates or vouchers);
- appropriate in the circumstances (for instance, it is customary for small gifts to be given at Christmas time);
- it is given openly, not secretly; and
- taking into account the reason for the gift and the seniority of the recipient, it is of an appropriate type and value given at an appropriate time.

### *What is prohibited*

Angel Trains does not authorise, and it is not acceptable for you (or someone on your behalf) or an associated person to:

- 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;
- 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;
- threaten or retaliate against another employee who has refused to commit a bribery offence or who has raised concerns under this Policy; or
- engage in any activity that might lead to a breach of this Policy.

To assist you in your evaluation of whether or not it is likely to be appropriate to arrange a gift or hospitality for a third party, please refer to the chart appended as Schedule 2.

### *Approval Procedure*

If you and, where relevant, associated persons wish to arrange normal and appropriate hospitality and promotional expenditure with a value in excess of £10, you should submit

requests for the same well in advance of proposed dates to the Compliance Officer or to a Senior Manager or Executive Director (in line with normal approval processes set out in the Expenses Policy and Delegated Financial Approvals). Your request must be set out in writing (including email) and specify:

- the identity of the third party recipient business and individual recipient(s) of the hospitality/gift;
- the identity of those who will be attending from Angel Trains;
- the objective of the proposed entertainment or expenditure;
- details (including estimated costs) and rationale of the proposed activity.

Angel Trains will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship.

Angel Trains will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).

### *Recording*

Hospitality and gifts record books are maintained in both London and Derby offices – these are located with the Risk team in London and the Office Manager in Derby.

You must record all hospitality<sup>3</sup> and gifts<sup>4</sup> provided in these books, promptly after completion of the activity. A record must still be made even if approval has been obtained in advance as above. These records will be subject to regular review by the Compliance Officer and a scanned copy of the pages from these books will be placed in AIMS to form a permanent record.

The onus is on you personally to ensure that the details of any gifts or hospitality received or accepted by third parties are recorded (although it will normally be appropriate for an event organiser to do so for larger-scale events).

### *Charitable and political donations*

Angel Trains considers that charitable giving can form part of its wider commitment and responsibility to the community. Angel Trains supports a number of charities that are selected in accordance with objective criteria. Following a risk assessment by the Compliance Officer, Angel Trains may also support fundraising events involving employees.

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<sup>3</sup> It is not necessary to record minor hospitality such as tea/coffee or light lunches when offered as part of a business meeting or with a value of less than circa £10.

<sup>4</sup> It is not necessary to record small, trivial and not unduly lavish gifts or generally available promotional items with a value of less than circa £10.

However:

- Angel Trains only makes charitable donations that are legal and ethical and to entities which have a valid Registered Charity number; and
- Angel Trains does not make contributions to political parties.

## Risk management

### *Principle*

Angel Trains has established detailed risk management procedures to prevent, detect and prohibit bribery.

### *Procedure*

Angel Trains does and will continue to regularly conduct risk assessments for each of its key business activities on a regular basis. In particular, Angel Trains will:

- regularly monitor "at risk" employees and associated persons;
- regularly communicate with "at risk" employees and associated persons;
- regularly identify high-risk areas, for example tenders for work and those working on high-value projects.
- undertake detailed due diligence of third parties and associated persons; and
- communicate its zero-tolerance approach to bribery to third parties, including actual and prospective customers, suppliers and joint-venture partners.

To assist Angel Trains with the above, due diligence should be undertaken by yourselves and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative.

Such due diligence should be undertaken in accordance with Angel Trains' procurement and risk management procedures.

The extent of the due diligence you need to carry out depends on the nature of the relationship and the risk of bribery occurring. To assist you in your assessment, you should consider the questions raised in [Schedule 3](#).

You should also consider whether the relevant third party:

- has an anti-bribery policy in place; and
- understands Angel Trains' Policy and are happy to comply with it.

Depending on the risk, as part of your due diligence you may wish to conduct a background search on the third party and give consideration to the following:

- obtaining detailed information on the company, its directors, key managers and its operating and litigation history;

- seeking insight on the background, track records, competencies, potential conflicts of interest, political/criminal links of individuals with whom you will be required to engage;
- gathering intelligence from regulators, industry observers, suppliers and customers, both former and current.

Details of the due diligence undertaken by yourself prior to entry into of a new contract, arrangement or relationship with a third party should be given in the DFA/Level A paper to be submitted to the board in relation thereto.

## Reporting suspected bribery

### *Principle*

Angel Trains depends on you and associated persons to ensure that the highest standards of ethical conduct are maintained in all business dealings. You and associated persons are requested to assist Angel Trains and to remain vigilant in preventing, detecting and reporting bribery.

You and associated persons are encouraged to report any concerns that you may have to the Compliance Officer as soon as possible. Issues that should be reported include:

- any suspected or actual attempts at bribery - it is important that you tell the Compliance Officer as soon as possible if you are offered a bribe (or what you perceive to be 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;
- concerns that other employees or associated persons may be being bribed; or
- concerns that other employees or associated persons may be bribing third parties, such as clients or government officials.

### *Procedure*

Schedule 4 attaches a form to be used to record any incidents of suspected bribery.

Any such reports will be thoroughly and promptly investigated by the Compliance Officer in the strictest confidence. You and any associated person will be required to assist in any investigation into possible or suspected bribery.

You will also be required to comply with Angel Trains' Public Interest Disclosure (aka whistle blowing) policy to be found in the Code of Conduct.

Anyone who refuses to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Angel Trains 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.

Angel Trains 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 you believe that you have suffered any such treatment, you should inform the Compliance Officer immediately.

### **Action by Angel Trains**

Angel Trains will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. Angel Trains will invoke its disciplinary procedures where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. Angel Trains may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, Angel Trains who are found to have breached this policy.

Angel Trains may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the police. Angel Trains will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

### **Training and communication**

Angel Trains will regularly communicate its anti-bribery measures to all employees and associated persons.

Angel Trains has set up training sessions and will repeat these yearly.

Training on the Policy will form part of the induction programme of any new employee of Angel Trains.

Training may also be provided on an *ad hoc* basis on request and may also be repeated according to needs.

### **Responsibility for this Policy**

The board of directors of Angel Trains has overall responsibility for ensuring this Policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Compliance Officer 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.

### **Monitoring and Review**

The Compliance Officer 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.

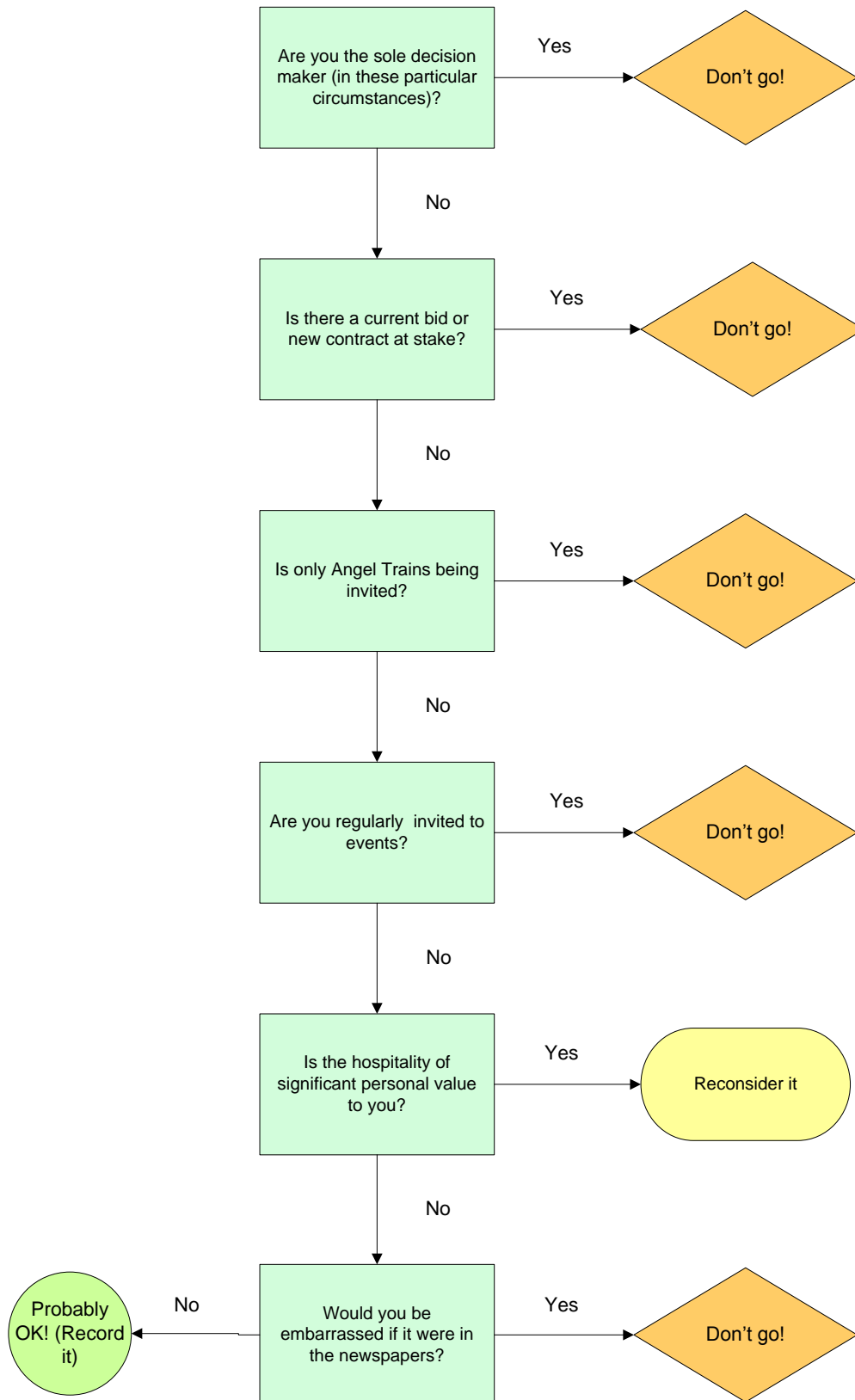
Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All employees and those working for, or on behalf of, Angel Trains are encouraged to contact the Compliance Officer with any suggestions, comments or feedback that they may have on how these procedures may be improved.

For the avoidance of doubt, this Anti-Bribery Policy does not form part of employees' contracts of employment and Angel Trains reserves the right to amend and update this Anti-Bribery Policy as required.

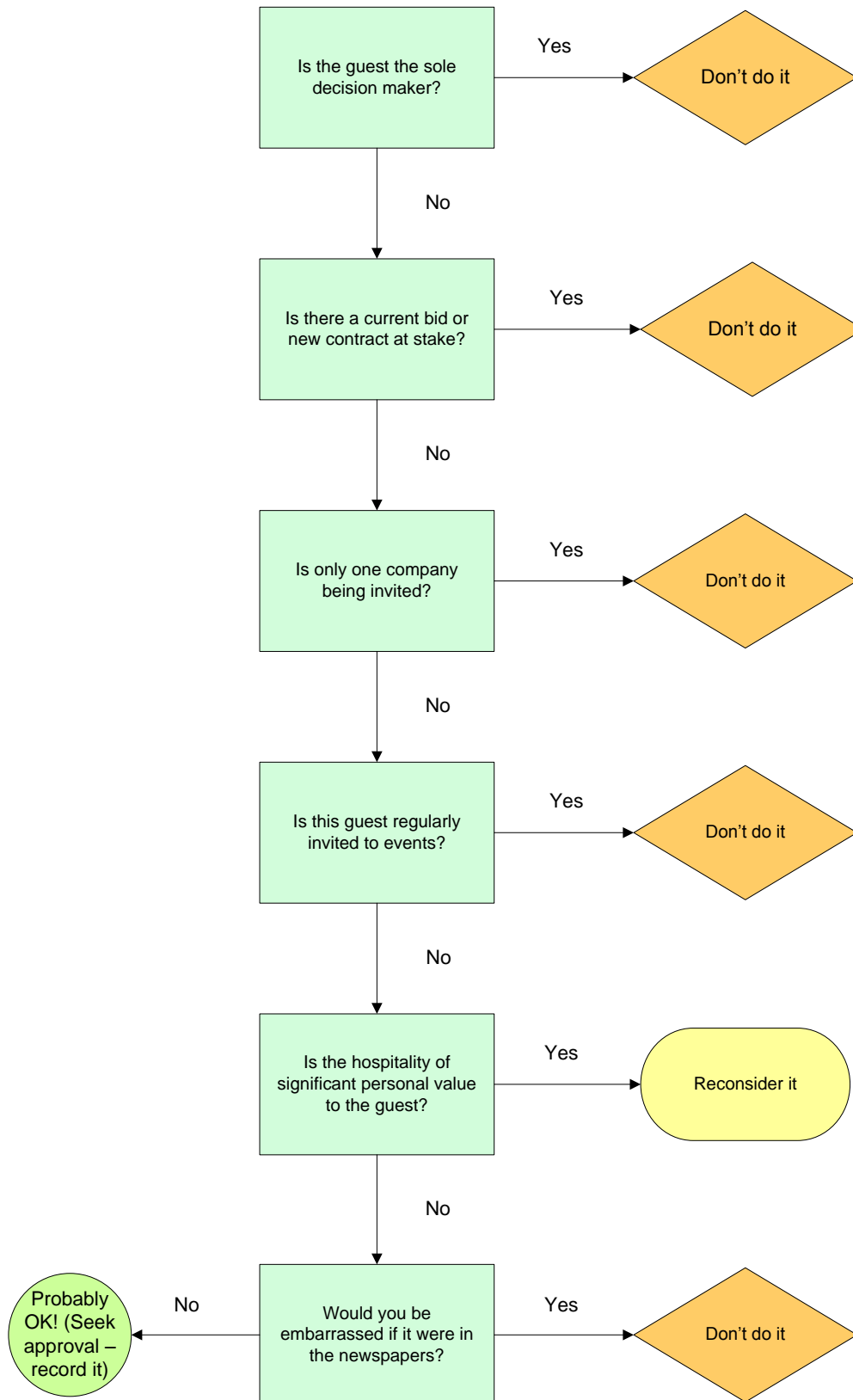
**SCHEDULE 1**

**To accept or not to accept?**



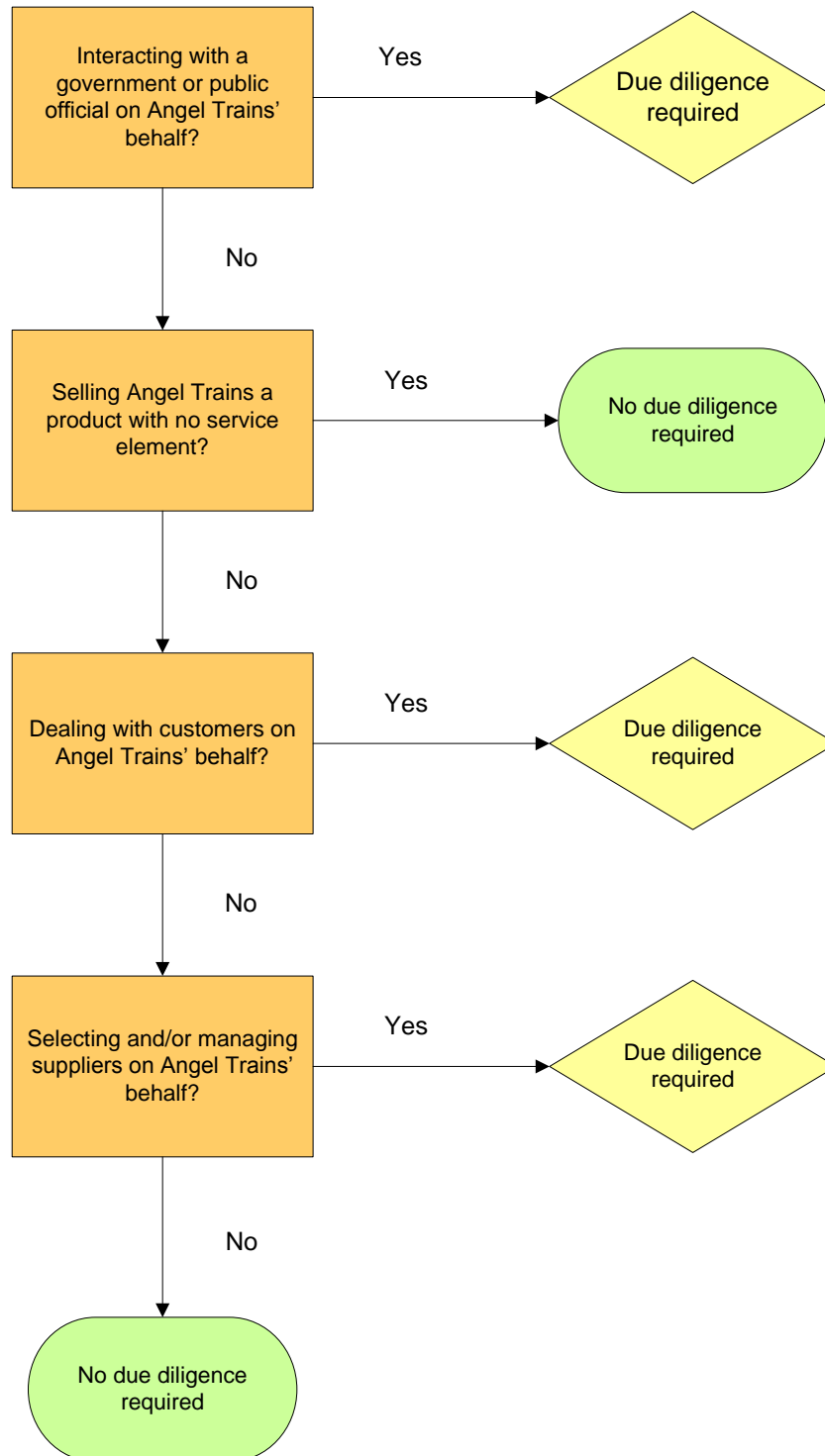
**SCHEDULE 2**

**To invite or not to invite?**



**SCHEDULE 3**

**Is the third party...**



**SCHEDULE 4**

**Form to be used to report suspected bribery**

**Form for an individual to report suspected bribery practices**

This form is intended for use by any employee of Angel Trains, or if you work for, or on behalf of, Angel Trains, in any other capacity including as a consultant, contractor or agent or as a temporary member of staff. This form should be used to report any incident of suspected bribery that has arisen during the course of performing services for Angel Trains.

This form should be used in conjunction with Angel Trains' Anti-Bribery Policy and Compliance Procedure.

All suspected incidents should be reported to Angel Trains using this form and Angel Trains' anti-bribery investigation procedure will be invoked.

You should complete and deliver this form to the Compliance Officer in an envelope marked "confidential" or sent as an email attachment with "confidential" in the subject line.

You should use this form if you suspect, or have witnessed or experienced:

- practices of bribery, or attempted bribery, being undertaken by other employees or workers;
- practices of bribery, or attempted bribery being made by third parties, either directly to you or to other employees or workers;
- a request to make a facilitation payment or other form of bribery to a foreign official, either to accelerate a routine process or to carry out any other activity in an improper way; or
- other employees or workers making a facilitation payment to a foreign official, either to accelerate a routine process or to carry out any other activity in an improper way.

Any report will be treated promptly and in the strictest confidence by Angel Trains. You will be protected by Angel Trains during and following investigations of such allegations, including where such allegations are not substantiated, provided that such concerns are raised in good faith.

You have a duty to Angel Trains to report any incidents of suspected bribery, even where a more senior manager has asked you not to do so.

**Formal report**

<b>Individual's name:</b>	
<b>Individual's job title:</b>	
<b>Individual's department/supplier:</b>	
<b>Date:</b>	
<b>Does your report relate to your line manager?</b>	Yes/No

**Summary of complaint:**

Please set out the details of your complaint (providing as much detail as possible, particularly dates, times, locations and the identities of those involved). You may attach additional sheets if required.

**Individuals involved in the alleged incident/complaint:**

Please provide the names and contact details of any people involved in your complaint, including witnesses.

**Outcome requested:**

Please set out how you would like to see your complaint dealt with, and why and how you believe that this will resolve the issue.

**Declaration:**

I confirm that the above statements are true to the best of my knowledge, information and belief. I understand that making any false or malicious allegations in bad faith may result in disciplinary action being taken against me by Angel Trains or in Angel Trains reviewing our future relationship.

<b>Form completed by:</b>	
<b>Signature:</b>	
<b>For completion by the organisation:</b>	
Date form received by Angel Trains:	
Name of recipient and job role:	
Signature:	