



Hilltop Fund Management LLP

UK BRIBERY ACT POLICIES AND PROCEDURES MANUAL

September 2016

Note: Hilltop Fund Management LLP is regulated and authorised by the Financial Services Authority with Firm Reference Number 500116 and in this document shall variously be referred to as “Hilltop” or “the Firm” or “firm” interchangeably



The 2010 UK Bribery Act (the “Act”) came into effect on the 1st July 2011 (it will not be applied retrospectively) and applies to all companies who have a presence or carry out business in or from the UK. It applies to all relationships that these companies have with whom transactions can and do take place. It applies to all agents employed by these companies in the conduct of their businesses. Hilltop Fund Management LLP falls within the scope of the Act. This is the only company within the Hilltop group and all business of the group is conducted through this company.

The consequences of being found guilty under the Bribery Act

Either a maximum prison sentence of 12 months or a fine or both.

SCOPE AND DEFINITIONS WITHIN THE ACT

What actions are covered by the Act?

A financial or other advantage is made to or received by an individual for the intended or actual improper performance of a function or activity.

A function or activity is (1) any function of a public nature (2) any activity connected with a business (3) any activity performed in the course of a person’s employment and (4) any activity performed by or on behalf of a body of persons (whether corporate or unincorporated)

The function and activity does not need to be connected with the United Kingdom and it can be performed in a country or territory outside the United Kingdom

The function or activity must meet one or more of the following conditions:

Condition A: The person performing the function or activity is expected to perform it in good faith

Condition B: The person performing the function or activity is expected to perform it impartially

Condition C: The person performing the function or activity is in a position of trust by virtue of performing it

What is improper performance to which a bribe relates?

A function or activity is performed improperly

- (1) If it is performed in breach of a relevant expectation and
- (2) If there is a failure to perform the function or activity and that failure is itself a breach of a relevant expectation

Relevant expectation is a test of what a reasonable person in the UK would expect in relation to the performance of the type of function or activity concerned. Where the performance of a relevant function or activity is not subject to the law of any part of the UK, any local custom or practice is to be disregarded unless it is permitted or required by the ‘written law’ applicable to the country or territory concerned.

Written law means law contained in a written constitution or under legislation or any judicial decision evidenced in published written sources of that territory or country.

Bribery of foreign public officials

A person ‘P’ who bribes a foreign public official ‘F’ is guilty of an offence if P’s intention is to influence F in F’s capacity as a foreign public official in order to obtain or retain business or an advantage in the conduct of business.

P bribes F if, and only if directly or through a third party, P offers, promises or gives any financial or other advantage to F or to another person at F’s request or with F’s assent or acquiescence and F is neither permitted nor required by the written law applicable to F to be influenced in F’s capacity as a foreign public official by the offer, promise or gift.

HOW DOES HILLTOP COMBAT THE RISK OF BRIBERY?

Hilltop’s has implemented the following procedures to combat the risk of bribery taking place within the firm and within any of its business relationships:

Partner’s Policy statement

The partners of Hilltop have adopted a **zero tolerance** stance towards the act of bribery within their firm or within any relationship that the firm might enter into whilst conducting its business activities. The partners and employees of the firm must act fairly, honestly and openly whilst carrying out the businesses of the firm. If any of partners of Hilltop become aware of an individual giving or accepting a bribe, the partners will take appropriate action against the individual which could lead to the termination of that individual’s employment.

The giving and receiving of corporate entertainment

Corporate entertainment is defined here as entertainment given or received in the course of a business relationship that is directly related to the activity being carried out, for example: (i) a lunch or dinner between individuals representing Hilltop's business interests and another party at which the business of Hilltop is the focus of the discussion is deemed as corporate entertainment, whereas, (ii) a seminar conducted by one of the firm's service providers at the end of which refreshments are provided is not deemed corporate entertainment. An occasion involving an individual in his or her capacity as a private individual with acquaintances or contacts that arise out of the individual's personal circumstances is also not deemed not corporate entertainment.

The receiving of corporate entertainment in excess of a certain value must be reported to Trevor Simon (MLRO / Compliance Officer) and the details provided, which will be entered onto the Gifts Register maintained within a file called the Non-instruction Register for Hilltop which includes registers for the receipt of gifts, distribution of promotional materials, personal dealing approvals and other related matters. Such file is available for inspection upon request.

The giving and receiving of gifts

Gifts are defined here as non-cash items, the nature of which are unrelated to the business activity carried out between the firm and the other party involved. Examples of gifts are: activity days such as golf and sailing, cases and bottles of wine, tickets to sporting events. In relation to gifts the giving and receiving of cash is prohibited. The giving of gifts results in an expense to the firm and must be approved by Trevor Simon (MLRO / Compliance Officer). The resulting expense is booked to the Gifts Register (as above).

Political and charitable donations

Political donations are prohibited. Charitable donations are to be made only after receiving approval from Trevor Simon (MLRO / Compliance Officer).

Facilitation payments

A facilitation payment is defined as a small bribe paid to facilitate routine government action. Facilitation payments are prohibited.

Third party relationships

Third party relationships apply to individuals, unincorporated or incorporated associations based in the UK and elsewhere with whom Hilltop enters into a relationship to assist the company in the carrying out of its business. Under the Act, Hilltop must conduct appropriate due diligence and oversight of such relationships and be satisfied that the third party is reputable in all of its dealings with Hilltop and also with other parties when acting on behalf of Hilltop. Appropriate due diligence means review of / satisfaction with:

- independent verification of the third party e.g. Companies House, FCA register or equivalent, Law Society
- references from external parties in regard to the way in which the third party conducts its business i.e. fairly, honestly and openly
- the contractual arrangement (i) is documented, and (ii) sets out the fee structure for the service to be provided
- the written contractual arrangement to include reference to the Act and the types of payments that cannot be made to another party when acting on behalf of Hilltop
- for long term relationships, periodic confirmation from the third party that none of its activities relating to the services provided to Hilltop has constituted a bribe

The LLP maintains a number of third party supplier, service-provider, and marketing-related relationships. MLRO, Trevor Simon, is responsible for entering and maintaining such relationships and contracts.

Board representation in investee companies

If any Hilltop partner or employee becomes a director of a company in which one of the clients to whom Hilltop provides advice or takes a shareholding and takes an active role in the management of the company, then the partner or employee (at Hilltop's stewardship) will be responsible for verifying that the company does not engage in activities that constitute bribery under the Act. As a company director, the individual (at Hilltop's stewardship) must verify and be satisfied that the company has in place systems and controls to ensure that appropriate due diligence is carried out.

**Risk Assessment**

Hilltop conducts an Anti-Bribery risk assessment in connection with a variety of risks potentially facing the Firm, for example in connection with marketing or governance – seeking (i) to identify such risks, (ii) rank them by degree of threat, (iii) define risk mitigation processes in each case. A copy of the Firms' Anti-Bribery Risk Assessment is available from Trevor Simon (MLRO / Compliance Officer) upon request.

What should you do if you have a suspicion that a bribe has taken place?

You should report your suspicion immediately to Trevor Simon (MLRO / Compliance Officer)

Trevor Simon

MLRO / Compliance Officer

+44 (0) 20 7788 7799

trevor.simon@hilltop.co.uk