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## **Anti-Bribery & Corruption Policy**

**Policy Owner: Head of Compliance**



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## 1. Introduction

### 1.1 Scope of Policy

This policy was introduced to manage the requirements for IPB Insurance (“IPB”) and its employees<sup>1</sup> arising from the introduction of the Criminal Justice (Corruption Offences) Act (“CJCOA” or “the Act”) 2018. The Act overhauled existing legislation and brought Ireland into line with international standards on corruption legislation.

This policy applies to all business areas and all Directors, management and employees when representing IPB.

### 1.2 Objective of Policy

IPB has zero tolerance for Bribery and Corruption.

The purpose of this policy is to:

- inform employees of the requirements of the CJCOA 2018 and the UK Bribery Act 2010
- provide details of the offences and penalties under the CJCOA 2018
- provide details of the IPB controls implemented to comply with the Acts and to mitigate risks for IPB and its employees.

### 1.3 Consequences of non-compliance with this Policy

There are potentially severe consequences for breaching anti-corruption legislation for IPB and its employees.

IPB is liable for the actions of directors, managers, officers and employees who commit an offence with the intention of obtaining or retaining a business advantage for the company.

Employees convicted under the Act could face:

- disciplinary action
- possible professional disqualification by the Central Bank under Fitness and Probity Regulations
- fines or imprisonment.

The highest penalties are unlimited fines and imprisonment for up to 10 years.

The table below sets out the potential penalties for IPB and its employees:

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<sup>1</sup> Employees includes all staff, management and Directors of IPB.



### Key Penalties

- A summary conviction in the District Court could lead to a fine of up to €5,000 and or imprisonment up to 12 months
- A conviction on indictment in a higher court could lead to an unlimited fine and or imprisonment up to 10 years
- In all cases forfeiture of the gift or advantage obtained
- Prohibition on holding a position as an Irish official for up to 10 years
- Combination of the penalties outlined above

## 2. Anti-Corruption Legislation

### 2.1 Corruption Act 2018

The Criminal Justice Corruption Act 2018 overhauled existing legislation and brought Ireland into line with international standards on corruption legislation.

The CJCOA covers acts committed outside of Ireland which if committed in Ireland would be an offence under the Act. Therefore, an offence can occur regardless of whether the act happened in Ireland or abroad.

### 2.2 Definition of an Official under the Corruption Act

The Act's definition of Official includes both an Irish official and a foreign official. The definition is very wide ranging; including specific roles such as TDs, Councillors, Judges and a broader reference to "any other person employed by or acting for or on behalf of the public administration of the State." This effectively covers almost all officials paid out of state funds.

### 2.3 Offences under the Act

Sections 5 to 10 of the CJCOA 2018 detail a range of potential offences categorised as follows:

#### 2.3.1 Active and passive corruption

Corruptly offering, giving, requesting, accepting or obtaining a gift, consideration or advantage as an inducement to, or reward for doing an act in relation to one's office, employment, position or business.

#### 2.3.2 Active and passing trading in influence

Corruptly offering, giving, requesting, accepting or obtaining a gift, consideration or advantage to induce another person to exert an improper influence over an Irish or foreign official.

It is immaterial to prosecution if:



- Ability to exert improper influence existed
- Influence is exerted
- The influence leads to the intended result
- The intended or actual recipient of the gift or consideration is the person whom is intended to exert influence.

#### 2.3.3 Corruption in relation to office, employment position or business

Commission of an act or use of confidential information by an Irish Official in relation to his/her office, employment, position or business to corruptly obtain a gift, consideration or advantage.

#### 2.3.4 Giving of Gifts to facilitate an offence

Giving a gift, advantage or consideration where they know or reasonably know it will be used to facilitate an offence under the Act.

#### 2.3.5 Creating or using a false document

Corruptly creating or using a false document or a misleading statement with the intention of inducing another person to do an act in relation to his or her office, employment, position or business.

#### 2.3.6 Intimidation

Threatening harm to a person with the intention of corruptly influencing that person or another person to do an act in relation to that person's office employment, position or business.

In addition, Section 14 of the Act details a presumption of a corrupt gift:

#### 2.3.7 Presumption of a corrupt gift, advantage or consideration given to an Official:

Any gift, consideration or advantage given to an official<sup>2</sup> or connected person of an official by a person, where the person had an interest in the discharge by the official of any of their functions, or the official performed or omitted to perform any of their functions, will be presumed to be corrupt unless the contrary is proven.

## **2.4 Definition of a Connected Person**

A connected person is categorised as the following:

- Close business relations with an official including joint beneficial ownership of a legal entity
- Any person who has sole beneficial ownership of a legal entity set up for the actual benefit of an official

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<sup>2</sup> Official means Irish or Foreign Official. This covers local authority members and employees.



- Spouse or civil partner
- Child of an official
- Spouse or civil partner of a child of an official
- A parent of an official.

## 2.5 Offences for Corporate Bodies

IPB shall be guilty of an offence under the Act if an offence is committed by any of the following:

- A Director, Manager, Secretary or another officer of IPB or anyone purporting to act in that capacity
- A person acting as a shadow director as defined under company law
- An employee, agent or subsidiary

with the intention of obtaining or retaining business or advantage for IPB.

The potential fine for IPB is unlimited.

### Offences for employees of IPB under Corporate Penalties

The positions of Director, Manager, Secretary or officer of a corporate body or someone acting in that capacity can be guilty of an offence if it was found that the offence was committed with consent or connivance or was attributable to any wilful neglect. The potential penalty for an individual is imprisonment for up to 10 years.

## 2.7 Mitigating Actions

The CJCOA states that if proceedings are taken against a Corporate Body, a defence is that “it took all reasonable steps and exercised all due diligence to avoid the commission of the offence.”

The following steps will be taken by IPB to mitigate the risk of committing an offence:

- Approval and implementation of this anti-bribery & corruption policy
- Training of all relevant employees and directors on this policy’s requirements and the importance of transparency in all their actions on IPB’s behalf
- Referencing obligations under anti-bribery and corruption legislation in the Contract Review Checklist, to ensure it is considered for inclusion in all contracts being reviewed by the legal team
- Gifts and Hospitality, whether given or received, will be transparently recorded in a Gifts and Hospitality Register
- The Gifts and Hospitality Register will be reviewed on a regular basis by the Compliance team and appropriate reports will be produced for the CEO and Board on an exception basis
- The CEO, Internal Audit and individual members of the Board of Directors have the right to review the register at any time.



## 2.8 UK Bribery Act 2010

In relation to any business transacted within Northern Ireland, the UK Bribery Act 2010 governs such activity. The UK Bribery Act 2010 created one of the world's strictest anti-corruption legal frameworks and enables courts and prosecutors to address bribery in the UK and abroad. Its requirements are similar to that of the CJCOA.

Where bribery in the UK is known, or suspected, firms are expected to report their findings to the National Crime Agency (NCA) as they might be expected to report suspected money laundering. However, there are two key differences between bribery reports and money laundering reports:

1. The test of suspicion for bribery differs from that for money laundering. In bribery cases, there must be a reasonable suspicion rather than the lower standard that applies in money laundering cases.
2. Money laundering law provides general protections when making reports, but – depending on the jurisdiction – these can be more limited for bribery reports.

## 3. Roles and Responsibilities

### 3.1 IPB Employees

This Policy applies to all business activities of IPB. IPB requires all employees and Directors to act honestly and with integrity at all times and adhere to this and associated policies.

### 3.2 IPB Board and Leadership Team

The Board has ultimate responsibility for ensuring compliance with anti-corruption legislation.

However, the Board has delegated operational responsibility to the Leadership Team for ensuring that the appropriate processes, procedures and controls are implemented within the business to ensure compliance with this Policy.

Although the Board has delegated responsibility for the implementation of this Policy to line management it retains overall responsibility for appropriate oversight.

### 3.3 IPB Compliance Function

The IPB Compliance Function are the owners of this policy and will monitor adherence to it.

In addition, the Compliance Function will also provide advice, support and technical guidance in relation to the implementation of the Policy as required.

Any amendments to processes, procedures and/or controls relating to the implementation of this Policy require the prior approval of the Compliance Function.

The Board is responsible for approving this Policy and any subsequent amendments.



### 3.4 Departments within IPB

Transparency is key to IPB having a sound defence against potential allegations of corruption and Directors, management and employees must record any gifts, hospitality or entertainment whether received, declined, offered, or given.

Employees are responsible for recording any such gifts or hospitality by responding to the Gifts and Hospitality email sent by Compliance on a quarterly basis. The responses to this email will be used to update IPB's Gifts and Hospitality register with details of any gifts, hospitality and entertainment received, declined, offered, or given.

### 3.5 Appropriateness of giving or receiving gifts or hospitality

As a general principle, employees or Directors should not accept or give gifts or hospitality in relation to IPB Insurance business.

However, modest corporate gifts or hospitality may be accepted or provided by employees as long as they follow the approval and recording process set by this policy (see Sections 4 and 5 below).

The Irish and UK anti-corruption Acts do not criminalise corporate hospitality that is offered simply to maintain good business relations.

This is relatively new legislation in Ireland and no guidance has been issued on the Irish position. However, the approach here is likely to follow the practical approach in the UK, where the Director of the Serious Fraud Office and the Director of Public Prosecutions clarified that corporate hospitality is *not criminal where it is proportionate, reasonable, and made in good faith*.

It is very important to consider the perception that could be created when giving or receiving gifts or hospitality.

Therefore, employees and Directors should consider several factors when considering the appropriateness of gifts or hospitality. The following list is not exhaustive and further guidance should be sought from Compliance where required:

- Proximity to a contract renewal (post or prior) – is it very close to the timing of a decision?
- The status of persons involved, are they a person of influence, Irish or Foreign official
- How likely is the gift or entertainment, given or received, to influence someone?
- The value of the gift or entertainment?
- Is the entertainment, given or received, being used to build the business relationship?

### Bribery

A Bribe is a gift or benefit offered to or solicited by a representative of an organisation or a member of staff to influence a person to act in a particular way.





Directors and employees must not seek, accept, offer or give any payment, gift or benefit that could reasonably be perceived by an impartial observer as intended or likely to influence us or a third party. Any such perception of bribery will reflect negatively on the reputation of both the Company and the employee. Any Director, employee or company representative who is offered a bribe must refuse to accept the offer and immediately report the incident. Similarly, if any Director, employee, or company representative becomes aware of another staff member seeking, accepting, offering or giving bribes, this must be immediately reported.

You must report any such incident immediately to the Head of Compliance or the CEO (or a member of the Leadership team, in the event of a conflict for these individuals.) In some circumstances, it may be deemed appropriate to report the matter to the relevant authority.<sup>3</sup>

### 3.6 Corporate Hospitality

Corporate hospitality and promotional expenditure can be provided, or received, as a tool to raise awareness of IPB activities and would normally fall within the following range of objectives:

- to promote IPB Insurance's work to key partners and stakeholders
- to promote a specific scheme or development opportunity
- to mark project milestones
- to launch a new scheme/phase
- to facilitate peer networking by members
- to facilitate community awareness and participation.

IPB has an event register which is managed by the Marketing Department. The register includes all IPB sponsored events.

At sponsored events, IPB will have guest speakers to discuss products and services provided to members. Not all guest speakers receive payment for providing their time so in certain cases IPB will present an appropriate gift for a person who has provided their time free of charge.

### 3.7 Expense Policy

The Finance Department has a comprehensive expense policy in place. The "IPB Director and Employee Expense Reimbursement Policies and Procedures" document is available to all Directors and Employees on the Dock.

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<sup>3</sup> Section 19 of the Criminal Justice Act 2011 states that "a person shall be guilty of an offence if he or she has information which he or she knows or believes might be of material assistance in—(a) preventing the commission by any other person of a relevant offence, or (b) securing the apprehension, prosecution or conviction of any other person for a relevant offence, and fails without reasonable excuse to disclose that information as soon as it is practicable to do so to a member of the Garda Síochána."



It is the responsibility of all directors and employees who incur costs in the course of performing their duties on behalf of IPB Insurance to ensure that they are aware of and adhere to this policy's requirements.

## **4. Procedures in place for recording Gifts and Hospitality**

To ensure transparency and integrity in all our dealings, the Company must ensure that its policy with regards to gifts and benefits is clear and unambiguous.

A Gifts and Hospitality Register will be kept by the Compliance function.

Compliance will issue an email to all staff requesting details of any Gifts or Hospitality on a quarterly basis. All staff must respond to this email either with a Nil return or with full relevant details.

Whether a gift, hospitality or other such benefit is accepted or not accepted, it must be recorded on the register.

The register will be reviewed on a regular basis by the Compliance team to ensure no irregularities are present and appropriate reports will be produced for the CEO and Board on an exception basis.

The CEO, Internal Audit and individual members of the Board of Directors have the right to review the register at any time.

## **5. Approval of Gifts and Hospitality**

Full details of approval limits and procedures are available to employees on the company intranet.

## **6. Definition**

### Gifts and Hospitality

This policy applies to all gifts or hospitality with a value of €50 or over. As stated above, gifts or hospitality with a value of less than €50 are considered to be tokens and are not covered by the policy.

For the avoidance of doubt gifts and hospitality includes:

- all forms of entertainment e.g., dinner, tickets to sporting or other events
- non-tangible benefits e.g., preferential treatment, access to corporate boxes at sporting events.

In many cases IPB may receive requests for contributions to events run by other companies or organisations, these should be managed and recorded as either corporate sponsorship or as gifts and hospitality.



For the purposes of this policy, gifts, hospitality, entertainment and benefits are treated in the same way and considered to be interchangeable.

## 7. Policy Review and Approval Process

This Policy will be reviewed annually by the IPB Compliance Function. IPB Compliance may also propose changes to this Policy at any other time if needed.

Any amendments to this Policy shall require the prior approval of the policy owner; the Head of Compliance and final approval by the Audit Committee and Board.

## 8. Related Documents

### Legislative

- Criminal Justice (Corruption Offences) Act 2018
- Criminal Justice Act 2011, Section 19
- Protected Disclosures Act 2014
- UK Bribery Act 2010
- Fitness and Probity Standards

### Internal Policies / Procedures

- Fitness and Probity and Minimum Competency Policy
- Business Code of Conduct
- Director and Employee Expense Reimbursement Policies and Procedures
- Speak Up Policy