

# FARNCOMBE CONSTRUCTION

CIVIL ENGINEERS AND GROUNDWORK CONTRACTORS

Bowenhurst Farm, Bowenhurst Lane, Off Mill Lane, Crondall, Farnham, GU10 5RP  
Tel: 01252 851969

[www.farncombeconstruction.co.uk](http://www.farncombeconstruction.co.uk)

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## **COMPANY POLICY FOR GIFTS, ENTERTAINMENT & HOSPITALITY FOR FARNCOMBE SMITH 1990 LTD T/A FARNCOMBE CONSTRUCTION**

### **INTRODUCTION**

This Gifts, Entertainment and Hospitality Policy (the “Policy”) concerns Farncombe Smith 1990 Ltd and applies to all employees of Farncombe Smith 1990 LTD, without exception. This includes directors and other managers, all staff employed with Farncombe Smith 1990 LTD (collectively, the “Employees”). This document is to be read together with the Anti Corruption Policy which further clarifies issues related to bribery and ethics

### **GIFTS, ENTERTAINMENT AND HOSPITALITY THE CORPORATION’S POLICY**

Farncombe Smith 1990 LTD adopts the principle that its Employees may not solicit, give or receive, either directly or indirectly, gifts, gratuities, special allowances, a favour or an unreasonable benefit in relation to an individual or company with which it does business, if the benefit could unduly influence the judgment of the recipient by creating a disproportionate obligation to return the favour or by creating an appearance of impropriety.

However, Farncombe Smith 1990 LTD also recognizes and accepts that the occasional offer/acceptance of a modest gift, entertainment or hospitality can make a valuable contribution to the development and maintenance of good business relationships. Employees are expected to exercise good judgment and, if in doubt, may seek advice from senior managers.

### **TYPES OF GIFTS, ENTERTAINMENT AND HOSPITALITY**

Anti-corruption laws cover donations or gifts of goods and services as well as cash. This Policy covers the following types of business courtesies exchanged with external parties:

Gifts – all gifts, including personal gifts, to and from officials or people who have, who may have, or who may facilitate the creation of a business relationship with Farncombe Construction.

Entertainment – attendance at social, cultural or sporting events with officials or people who have, who may have, or who may facilitate the creation of a business relationship with Farncombe Construction.

Hospitality – meals, drinks, as well as lodging and travel expenses given to or received from officials or people who have, who may have, or who may facilitate the creation of a business relationship with Farncombe Smith 1990 LTD.

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## GENERAL PRINCIPLES

The key principle is that Employees may not offer or accept gifts, rewards, benefits or other incentives that create or appear to create an obligation, affect either party's impartiality or constitute an undue influence on a business decision. Employees need to be careful and assess what is expected in return when a gift or other favour is offered. If the gift places either party under an obligation, or appears to do so, then there is a problem. A gift that is designed to influence a business decision in Farncombe Constructions favour is not a free gift: it is a bribe.

Value is not the only consideration. Employees must also take into account the need to avoid anything that could be seen as an undue influence even if the gift is of low value. In addition, Employees need to take into account the frequency and cumulative value of exchanges with the same recipient. It is not acceptable to keep offering gifts or entertainment to the same recipient or receive repeated gifts from the same donor, even if each individual gift is of low value.

## ASSESSING ACCEPTABILITY CHECKING THE "TRAFFIC LIGHT"

When assessing what is and is not acceptable, Employees may find it helpful to think of a three-part "traffic light":

### UNACCEPTABLE

The following examples are never acceptable:

- Anything illegal;
- Anything offered to someone who is about to make a business decision concerning the Company, for example the award of a contract;
- Anything that would cause the Company embarrassment if publicly reported, either locally or internationally;
- Anything that contravenes the recipient's own rules, including government officials who in many countries are themselves subject to particularly stringent regulation (see above on government and public officials);
- Any gift or benefit that has to be kept secret from other colleagues, their immediate manager or any other relevant parties;
- Cash or cash equivalents (gift vouchers or anything redeemable for cash), such as shares, regardless of the amount involved;
- Sexual favours.

### NEEDS SPECIAL CONSIDERATION

The following examples may be acceptable, but require special consideration, and must be authorized.

- Travel expenses of third parties involving flights and overnight stays;
- The inclusion of partners at corporate hospitality events;

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- Invitations to particularly expensive cultural or sporting events, such as World Cup finals; — Gifts on special occasions, such as births and weddings. In cases where the business courtesy places either party under an obligation, or where the exchange is (or appears to be) an attempt to influence a business decision, it should not be offered or accepted.

## NORMALLY ACCEPTABLE

The following are normally acceptable when given to private third parties:

- Token seasonal gifts, where such gifts are a common cultural feature and the value of the modest gift is within the Company's financial limits;
- Modest, occasional meals with a business partner that fall within the Company's financial limits;
- Small corporate, promotional gifts, for example pens marked with the company logo and similar items; — Occasional attendance at ordinary sporting or cultural events such as theatre performances or concerts (if approved by the local line manager).

## COMMON DILEMMAS

### *“But it would be impolite to refuse...”*

Employees may encounter situations where they feel social pressure to accept a gift that goes beyond Farncombe Constructions financial threshold, and do not wish to offend the donor. In such case, Employees have to make a decision on the spur of the moment and must use their judgment. In practice, a polite refusal, by referring to the Corporation's Gifts, Entertainment and Hospitality Policy, may well be understood.

If an Employee feels obliged to accept, they should, in any case, report the gift or benefit to their local line manager as soon as possible, and no later than the next working day. Potential options include accepting the gift, returning it with a polite note or offering it to charity.

### *“Surely there is no problem with a seasonal gift...”*

Similar dilemmas can apply to seasonal gift-giving, for example at Christmas or, in some cultures, during the New Year period. Farncombe Smith 1990 LTD's policies apply all year round. As such, Employees need to ensure that they do not offer or accept anything inappropriate during such seasonal periods, and work out strategies accordingly. In cases where a third party wishes to offer seasonal gifts, one approach might be to offer them to charity or to share them at a company party. The most important considerations are that nothing should be seen as an attempt to influence a particular individual, and that everything is transparent. “But he's a personal friend of mine!” In some cases, it may turn out that a business partner is a personal friend, or they may become a friend as a result of a long professional relationship. Even so, the same principles apply. Employees may not offer or accept a gift that would be unacceptable to or from a complete stranger.

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## REPORTING SUSPECTED VIOLATIONS

Employees with information on potential non-compliant conduct of Farncombe Smith 1990 LTD, its employees, or any third party with whom Farncombe Smith 1990 LTD conducts or anticipates conducting business must report the situation to their immediate manager.

Signed: *R. Farncombe-Smith*

Date: 1st July 2021

**Rod Farncombe-Smith**  
**Director**