

Anti-Bribery and Corruption Policy

1. Purpose and Scope

A. F. Blakemore & Son Ltd. conducts its business fairly and lawfully in accordance with the values as set out within *The Blakemore Way*, 'ensuring that all employees behave with honesty and integrity in all relationships', thus avoiding;

- The giving or receiving of improper monetary or other inducements in commercial relations; and
- Any other inappropriate practice which might or might not be perceived to improperly influence a person's conduct in their professional or public duty.

The purpose of this policy is therefore to ensure that A F Blakemore (and all of its trading divisions) meets relevant legal requirements related to anti-bribery and corruption (as set out in the Bribery Act 2010) protecting the interests of employees, customer and third parties to minimise the risk to the Company's reputation.

2. Key principles

The Anti-Bribery & Corruption Policy details the controls that A F Blakemore must have in place in order to address the risk of bribery and corruption. It covers;

- A prohibition on giving or accepting Bribes;
- The requirement to have adequate systems and controls for reporting and investigating;
- Relationships with and payments to third parties;
- The considerations for gifts and hospitality in the context of anti-bribery and corruption and HMRC guidelines;
- Political and charitable donations;
- Employee awareness

3. The Policy

A prohibition on giving or accepting bribes

Under no circumstances must any employee give or accept a bribe. Bribery and corruption is defined as any activity or transaction, not necessarily financial, that involves the offer, promise or acceptance of a financial or other advantage – whether between the Company and a customer, a supplier, their agent or employee, a Public Official or any other associated party – that is intended to encourage the recipient of the benefit to act improperly or unfairly in the award of business or in the execution of their duties.

Examples of corrupt activity include;

- Employees accepting inducements, e.g. to retain or obtain business, or otherwise act outside of compliance with their duties and against the best interests of the Company

- Employees paying or offering a bribe, or authorising such acts, to induce another to act outside of compliance with their duties and award business to the Company
- Offering expensive gifts or providing lavish entertainment to individuals with the intention of influencing the award of business to the Company
- Making political or charitable donations that are intended to influence unfairly the award of business to the Company
- Accepting payments or other inducements from third parties in order to award business to another third party
- Manipulating tendering processes to award or gain a contract to or from a third party in return for some form of payment benefit or other favour
- Offering payments to regulatory bodies (e.g. Inland Revenue or customs officials) to overlook statutory requirements.

Systems and Controls for Investigation (including Whistleblowing)

If you suspect an employee or a third party of offering or accepting a bribe, regardless of who is involved, you should raise your suspicions with your Line Manager in the first instance. Relevant information or any evidence in support of your claim should be provided to assist the investigative process, including all names of employees who you suspect of being involved or who may have knowledge of the suspected wrongdoing.

If the matter is not resolved to your satisfaction or you prefer to report anonymously, you can report the matter in confidence to the HR Director, who will investigate any actual or suspected instances of bribery or corruption related to any transaction that involves the Company. Appropriate disciplinary action will be taken against any individuals who are found to be involved in bribery or corruption in accordance with the Company's Disciplinary Procedure, up to and including dismissal. In extreme cases, the Company will report any wrong-doing to the relevant authorities.

Relationships with and payments to third parties

All customer facing divisions, support functions and control functions must;

- Ensure that for any contracts with business partners, suppliers, brokers, agents or third parties, there is a provision for compliance with this policy standard
- Not allocate any proportion of a sub-contract to employees of the other contracting party or use other techniques, such as sub-contracts, purchase orders or consulting agreements, to channel payments to employees of the other contracting party, or public officials
- Ensure that any payment made to any agent or intermediary represents no more than an appropriate re-numeration for legitimate services rendered, and is in line with market rates and the agreement / contract in place
- Ensure that no part of any such payment is passed on as a bribe
- Ensure that records are maintained of the names and terms of engagement of all agents or intermediaries who are retained by them and any payments made
- Ensure that the sign off process for payments is adhered to.

Gifts, hospitality and samples

Gifts – a definition.

A gift is defined as something that is given with no expectation of consideration or value in return, which may be used to express a common purpose and the hope of future business dealings. Gifts should have no role in the business process other than that of enhancing relations or promoting the giver's company by incorporating a logo or message.

Policy Rule

No gifts can be accepted from suppliers or customers over a value of £30.00. Gifts under the value of £30.00 also need to be declared in the Gifts and Hospitality book held in Management Services and approved at least by a Divisional Board Director.

Hospitality – a definition.

Hospitality includes entertaining, meals, receptions, tickets to entertainment, sports and social events, such activities being given or received to initiate or develop relationships with business people or other third parties. The benefit of hospitality is often made that it provides a relaxed, neutral environment in which business relationships can be developed and maintained and information imparted. Hospitality can also be associated with charitable fund-raising events with the Company assisting good causes through purchasing tickets. Abuses occur with hospitality when it is excessive in value, given too often, or leaves the recipient in a position of obligation.

Policy Rule

It is essential that all hospitality received and given is recorded in the Gifts and Hospitality book held in Management Services, with the following permission sought in advance of the event in accordance with the employee's level within the Company;

- Managers and any other employees must obtain their respective Divisional Board Directors permission
- Divisional Board Directors must obtain their respective Main Board Directors permission
- Main Board Directors must obtain the Group Managing Directors permission.

Appropriateness

All gifts and hospitality received by employees must be appropriate to the relationship and adhere to general business practice. Furthermore, employees must take care with hospitality offered around contract renewal dates so that it is not deemed to be an inducement. Careful consideration should also be given specifically to hospitality offered by prospective suppliers to ensure that the employee is not in a position of obligation. Hospitality to prospective customers (e.g. invitations to attend Company events) is permitted, although should be proportionate.

Lavish or extraordinary hospitality

Employees must ensure that either gifts or hospitality given or received could not be construed as being "too lavish", where it could be considered to the point of bribery by an independent third party. All gifts and hospitality should therefore be proportionate with the business relationship and not in any way impact or influence the recipient's behaviour or decision making process.

Business Trips Abroad

It is recognised that international business trips in support of business activity (e.g. international conferences, supplier visits) are required from time to time. All requests to attend any invitations to international events must be approved by a Group Board Director in conjunction with the Chairman.

Annual Leave

Any approved hospitality events that take place during working time must be taken as annual leave, with the exception of conferences.

Management Information

The Gifts and Hospitality book will be reviewed by the Group AFB Board on a six monthly basis.

Samples

All samples provided by both existing and prospective suppliers remain the legal property of the Company. Samples accepted or provided should be proportionate.

The consumption of samples should be related to the decision making process and permission must be sought from the employee's Line Manager / Director for the product to be removed from the place of work. The disposal of unused samples will be determined by the relevant business Division, but may be used for charitable fund-raising such as raffles or auctions.

HMRC Guidelines

All gifts and hospitality provided by the Company should be recorded in the accounts as 'entertainment' for tax purposes. This should be shown separately on an expenses claim or invoice coded correctly to entertainment.

Political and Charitable Donations

No contributions should be made either directly or in-directly to candidates for public office, an elected official or a political party on behalf of the Company.

All charitable donations from the Company must be donated via the Blakemore Foundation charitable trust, which gives 2% of the Company's annual net profit to local good causes as determined by the Blakemore Foundation trustees and the Charitable Giving Officer.

The only other form of permitted charitable donations are those regarded as official 'charities of the year' such as the NSPCC or those selected through divisional fundraising committees or events such as the Blakemore Wholesale Golf Day.

Employee awareness

Depending on the business area risk factors and individual job roles, all relevant employees must be briefed on the Anti-Bribery and Corruption Policy to ensure that they can act upon the requirements. Ongoing training will also be provided as appropriate, as will an appropriate briefing at induction for new starters relevant to the employee's job role.

For further information or guidance on the above policy please contact the Group HR Director or Group Company Secretary.

Further guidance on the Bribery Act 2010 can be found at;

<http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>