

AUGUST 2011

ANTI-CORRUPTION AND BRIBERY POLICY



AN OSI GROUP COMPANY

1. POLICY STATEMENT

- 1.1 Creative Foods Europe is committed to conducting business honestly and without engaging in activities such as corruption or bribery. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.
- 1.2 Creative Foods Europe is committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate, and implementing and enforcing effective systems to counter bribery. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
- 1.3 The purpose of this policy is to:
- (a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
 - (b) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- 1.4 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.5 By adopting this policy, Creative Foods Europe and its subsidiaries (being Atlantic Foods Ltd, Oasis Foods Ltd, Oliver James Foods, Proper Pies & Calder Foods) are reasserting their continued aspiration to prevent bribery. Accordingly, Creative Foods Europe is taking the following measures, which are intended to achieve this aim:
- a) Setting out a clear anti-bribery policy and ensuring that the policy is implemented effectively;
 - b) Training employees so that they are able to recognise bribery and therefore avoid getting involved in (or inadvertently being associated with) bribery.
 - c) Providing a senior nominated person for employees to report (and encourage the reporting of) bribery to. The Group Finance Director

will act as the senior nominated person and will deal with all issues relating to bribery and/or corruption (the 'Senior Person');

- d) Ensuring that its board of directors will regularly;
 - i) assess the risks of bribery that are faced by all companies within Creative Foods Europe
 - ii) review the effectiveness of anti-bribery and corruption procedures that are in place within the Group;
 - iii) implement clear procedures to communicate a 'zero tolerance' approach to bribery and corruption;
 - iv) carry out appropriate background checks on Creative Foods Europe business partners and suppliers to identify bribery risks and take preventative measures;
 - v) monitor and review this policy and Creative Foods Europe's anti-bribery procedures to ensure that they are fully effective;
 - vi) review and audit compliance with this policy and Creative Foods Europe anti-bribery procedures.

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

2. **WHO IS COVERED BY THE POLICY?**

2.1 This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as **workers** in this policy).

2.2 Workers who are found to have acted in contravention of this policy will be disciplined and their actions may be deemed to be gross misconduct.

2.3 If any organisation with which Creative Foods Europe conducts business acts in contravention of this policy, Creative Foods Europe will take steps to immediately terminate the relationship between such organisations and Creative Foods Europe.

3. THE LAW

3.1 Bribery is a criminal offence and in the United Kingdom, the Act creates four types of offence:

- a) offering, promising or giving a bribe to another person;
- b) requesting, agreeing to receive or accepting a bribe from another person;
- c) bribing a foreign public official; and
- d) a corporate offence of failing to prevent bribery.

3.2 The first three types of offence carry a maximum penalty of 10 (ten) years imprisonment and the corporate offence carries the possibility of an unlimited fine. It is therefore vitally important to ensure that all workers read and understand this policy and adhere to its principles.

4. WHAT IS BRIBERY AND CORRUPTION?

4.1 A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

4.2 Corruption is the misuse of entrusted power for private gain. Workers within Creative Foods Europe that are most at risk of encountering Bribery are those that have decision making powers within Creative Foods Europe. This obviously covers senior management (such as directors) but individuals in buying from suppliers or engaging contractors or third parties (such as external agents) to carry out services are at risk of being bribed as all employees who deal with suppliers.

5. WHERE BRIBERY AND CORRUPTION CAN ARISE

5.1 Bribery can occur in many different ways but usually both parties will benefit.

5.2 Individuals within Creative Foods Europe must not engage in any form of Bribery, whether it is to gain:

- a) a personal advantage; or
- b) an advantage for another individual; or
- c) an advantage for the Creative Foods Europe.

Examples:

Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

- 5.3 It is vitally important that all individuals with decision making powers within Creative Foods Europe fully understand the importance of this policy and adhere strictly to its principles. It is, however, just as important that all workers have read and understand this Policy because it is the responsibility of every individual within the Company to be vigilant in relation to activities involving Bribery.

6. STEPS THAT MUST BE TAKEN BY EMPLOYEES IN ORDER TO PREVENT BRIBERY

- 6.1 All employees must comply with this Policy and must not engage in any activity which involves Bribery or Corruption.
- 6.2 All employees must take a vigilant approach in relation to such activities and immediately report to a Senior Person if they know or have reasonable grounds to believe that such activity is taking place.
- 6.3 Individuals that are responsible for engaging and maintaining relationships with third parties that are of a material nature or where the relationship is with a party that is based outside of the United Kingdom must ensure, prior to engagement, that the Due Diligence Policy (see attached schedule) is consulted and complied with.

7. TOP LEVEL COMMITMENT AND THIRD PARTY ORGANISATIONS

- 7.1 An assessment of the risk of Bribery to Creative Foods Europe will be carried out at board level at least every twelve (12) months. Every decision made at board level should only be made after consideration of any associated risk of Bribery and how such risks will be curtailed. A statement of personal support for this Policy has been made by the Chief Executive Officer and is available to view at www.creativefoodseurope.eu
- 7.2 Creative Foods Europe will not do business in any capacity with any organisation that does not show commitment to a zero tolerance attitude towards Bribery and does not co-operate with our implementation of the Due Diligence Policy referred to above.

8. ACCEPTANCE OR GIVING OF GIFTS AND HOSPITALITY

- 8.1 Creative Foods Europe recognises that reasonable and proportionate hospitality or promotional expenditure which seeks to improve the commercial image of an organisation is part of doing business. However, gifts such as cash, presents and hospitality can be used as Bribes if they are given or received with the intention of influencing business decisions.
- 8.2 The offering or acceptance of gifts, hospitality, rewards or other benefits from anyone in connection with matters relating to Creative Foods Europe business is not permitted except if this occurs in the following circumstances:
- (a) the giving of occasional, trivial gifts such as Creative Foods Europe branded goods, diaries, pens etc with value under £50 unless approved by a director of Creative Foods Europe (the director to whom the provider/recipient of such gift reports). In the case of gifts

to a director, approval should be obtained from a Senior Person as appropriate; and/or

- (b) normal corporate hospitality, for example, occasional meals, lunches, attendance at events, where the frequency and total cost of the hospitality is reasonable and is conducted in order to build business relationships, rather than as an inducement in relation to the provision of goods/services.

8.3 If any gift, hospitality or contribution to foreign travel (covered by paragraph 8.2) with a value in any case in excess of £100 (per person) is received or given it must be reported to both Senior Person and the appropriate department director who will ensure it is recorded in the gifts and hospitality register. Since any gifts an individual or director receives will have been given them as representative of Creative Foods Europe, all recipients should be aware that should they sell or seek to sell these gifts, Creative Foods Europe may consider this a bringing the business into disrepute and will take action as appropriate.

8.4 Under no circumstances should individuals accept (whether from a potential supplier, vendor or any party with whom Creative Foods Europe may conduct business):

- (a) cash;
- (b) a gift or benefit which could influence or appear to influence decisions made on behalf of Creative Foods Europe;
- (c) entertaining of an inappropriate nature, such as sexual entertainment; or
- (d) lavish corporate entertainment from third parties/agents, for example, being flown in a private jet, being excessively wined and dined and/or being put up in an expensive hotel.

8.5 We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all circumstances the gift or hospitality is reasonable and justified. The intention behind the gift should always be considered.

9. **WHAT IS NOT ACCEPTABLE?**

9.1 It is not acceptable for you (or someone on your behalf) to:

- (a) 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;

- (b) 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;
- (c) accept a payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered with the expectation that a business advantage will be provided in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns about your behaviour under this Policy; or
- (f) engage in any activity that might lead to a breach of this Policy

10. POLITICAL DONATIONS

10.1 Creative Foods Europe policy is that it does not make political donations.

11. YOUR RESPONSIBILITIES

11.1 You must ensure that you read, understand and comply with this Policy at all times whilst you are a worker of Creative Foods Europe.

11.2 It is responsibility of all workers of Atlantic Foods group to prevent, detect and report Bribery and Corruption. Creative Foods Europe expects each individual within the Company to take a proactive attitude towards the detection and prevention of Bribery.

11.3 Creative Foods Europe encourages workers to report suspected wrongdoing as soon as possible, in the knowledge that their confidentiality will be respected.

11.4 If a worker suspects an instance of Bribery, they must report it as soon as possible to the Senior Person.

11.5 If a worker is not comfortable speaking directly to the Senior Person, they should speak to their department director. Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. Creative Foods Europe reserves its right to terminate the contractual relationship with workers who are not employees if they breach this Policy.

12. WHO IS RESPONSIBLE FOR THIS POLICY?

12.1 The Group Board has overall responsibility for ensuring this Policy complies with our legal and ethical obligations and that all workers comply with it.

12.2 Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy and are given adequate training on it.

13. MONITORING AND REVIEW

13.1 All workers are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.

13.2 Workers are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Senior Person.

13.3 This Policy may be amended at any time.

Schedule Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to your manager **OR** to the 'Senior Person'.

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;

- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party;