

## Anti-Corruption and Bribery Policy

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### SCHEDULE      POTENTIAL RISK SCENARIOS: "RED FLAGS"

#### 1. **Policy statement**

- 1.1. It is our policy to conduct all our business in an honest and ethical manner. Bribery and corruption are prohibited in our business and our business dealings. We 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. We will uphold all laws relevant to countering bribery and corruption. However, the anti-bribery laws of the UK, including the Bribery Act 2010, take priority in respect of our conduct both at home and abroad.
- 1.3. This policy sets out our position on bribery and corruption and our responsibilities in relation to preventing it in our business activities, both in relation to those who work for us and those who work with us. The policy also provides information on how to recognise bribery

and what to do if you are asked to bribe, you are being asked to accept a bribe, or suspect bribery or corruption is taking place.

- 1.4. All of us that do work with or have dealings with BACKLINE need to take responsibility for preventing bribery in our business. You must ensure that you read, understand and comply with this policy. All workers must avoid any activity that might lead to, or suggest, a breach of this policy.
- 1.5. This policy does not form part of any employee's contract of employment and it may be amended at any time.

2. **Who is covered by the policy?**

- 2.1. This policy applies to everyone working within BACKLINE, regardless of level/grade. This includes senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, interns, agents, and sponsors. We have collectively referred to as these people as 'workers' in this policy.
- 2.2. It also applies to any other persons 'associated' with us. Those 'associated' with us includes any individual or organisation you come into contact with during the course of your work for us who performs services for or us or on our behalf. These can therefore include any of our subsidiaries or their employees, wherever located, suppliers, distributors, actual and potential clients/customers, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties. We have collectively referred to these people as 'third parties'

3. **What is bribery and why is having an anti-bribery policy important?**

- 3.1. A bribe is a financial or other inducement or reward that is sought, offered, promised or provided with the intention of gaining any commercial, contractual, or personal advantage. We have set out below some examples to assist you, so you are better equipped to understand what a bribe may consist of

**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.

3.2. Individuals who bribe or receive bribes can receive a prison sentence of up to ten years as well as an unlimited fine. If BACKLINE is found to have taken part in bribery or fails to put in place adequate procedures designed to prevent bribery, 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.

#### 4. **Gifts and hospitality**

4.1. Corporate hospitality is permitted, but you must adhere to the following rules and limits set out below which have been set by the Directors. If you consider a need to exceed or vary these limits for whatever reason you must first obtain prior authorisation to do from Paul Church:

4.2. You may give a gift to a third party excluding those set out at 7 below provided:

4.2.1. it is not made by you with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;

4.2.2. it complies with local law;

4.2.3. it is given in our name, not in your name;

4.2.4. it does not include cash or a cash equivalent (such as gift certificates or vouchers);

4.2.5. it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time. Non-monetary gifts up to the value of £100 may be given providing they are in recognition of a particular and legitimate occasion (birthday/Christmas/retirement/wedding, for example);

4.2.6. it is given openly, not secretly; and

4.2.7. gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of a director of Backline Logistics.

4.3. 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 applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered and it must never be given with the intention of influencing a third party. If you are in any doubt at all, you must seek guidance from Paul Church

4. You may accept gifts on the same conditions as set out in clause 4.2 above.

- 4.5. Corporate hospitality is acceptable, but we must be able to demonstrate that it is reasonable, undertaken in good faith, and as part of an established and important part of our business.
- 4.6. You must declare and keep a written record of all hospitality or gifts accepted or offered (of whatever value), which will be subject to managerial review. Any gifts given or received should be registered in our gifts register which is kept at Head Office.
5. **What is not acceptable**
  - 5.1. It is not acceptable for you (or someone on your behalf) to:
    - 5.1.1. 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;
    - 5.1.2. 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 (see further details below);
    - 5.1.3. Accept payment from a third party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them;
    - 5.1.4. Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
    - 5.1.5. Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
    - 5.1.6. Engage in any activity that might lead to a breach of this policy.
6. **Facilitation payments and kickbacks**
  - 6.1. Facilitation payments are also known as 'grease' payments and are typically small or relatively small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK but are common in some other jurisdictions.
  - 6.2. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.
  - 6.3. If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is as you would expect for the goods or service provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your manager.
  - 6.4. Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

7. **Donations**

- 7.1. We do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of your manager.

8. **How to raise a bribery concern**

- 8.1. It is important that you tell your manager as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.
- 8.2. If you have any concerns about any issue with this policy or suspicion of bribery taking place, haven't taken place, or could in the future take place, you should raise this at the earliest possible stage. Concerns should be reported to your manager.
- 8.3. If you are unsure whether a particular act is or could be bribery or corruption, or if you have any other queries, these should be raised with your line manager. We have set out a number of 'red flags' at Schedule 1 which provide you with an indication of some acts which could attract suspicion.
- 8.4. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers, or third parties if they breach this policy.

9. **Protection**

- 9.1. Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns made in good faith under this policy, even if they turn out to be mistaken. However, if concerns are not genuine or are made in bad faith, employees may be subject to BACKLINE'S disciplinary procedure. We also reserve our right to terminate our contractual relationship with other workers if they breach this policy.
- 9.2. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform Paul Church immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

10. **Record-keeping**

- 10.1. We will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
  - 10.2. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
  - 10.3. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.
11. **Training and communication**
- 11.1. Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on understanding what bribery is, the risks we face as a business, and how to implement and adhere to this policy.
  - 11.2. Our prohibition on bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.
12. **Who is responsible for the policy and its implementation strategy?**
- 12.1. The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
  - 12.2. The Management Team has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it as set out in clause 11 above.
  - 12.3. You have responsibility for ensuring that you comply with the policy and that you undertake our business in an ethical and anti-corrupt way. You also have responsibility for making sure that you report any bribery or corruption concerns to your manager.
  - 12.4. **This policy can be found at each of our offices.**
13. **Monitoring and review**
- 13.1. Paul Church will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified as a result of a review or a report will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

- 13.2. All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 13.3. 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 your Manager.

**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 if:

- (A) If you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (B) If 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 request that a payment is made to "overlook" potential legal violations;
- (I) A third-party request that you provide employment or some other advantage to a friend or relative;
- (J) If 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) If you are offered an unusually generous gift or offered lavish hospitality by a third party and under NO circumstance can any money exchange hands.