

Group Principal Policy: Anti-Bribery and Corruption

The Camellia approach

On 1 July 2011 the Bribery Act 2010 (the “**Act**”) came into force in the UK. It imposes significant liability on companies incorporated or formed in the UK, or which carry on a business in the UK: **the crime of failure to prevent bribery**. The offence can be committed in the UK or overseas.

In response to the assessment of risks which exist in certain geographies and markets across Camellia Group companies (together referred to as the “**Group companies**”), this Anti-Bribery and Corruption Policy sets out Camellia’s policy and guidance to help Group companies develop their own policies and procedures to address these risks.

Camellia has undertaken and continues training of its directors and relevant employees. Likewise, Group companies must continue to provide training for all those who are considered to be at risk of encountering active bribery, passive bribery or bribing a public official. Training is compulsory and compliance will be reported annually to the Camellia Board.

There are two key continuing components of policy this which cannot be stressed too highly: (i) due diligence; and (ii) monitoring and review of practice. Due diligence should be applied to all significant operational relationships and transactions to ensure that Group companies are not unintentionally involved in bribery and corruption. Agents and other intermediaries, joint venture partners and potential new businesses should all be examined carefully in line with procedures, as updated from time to time. However, the impact of these policies and procedures can only be assessed, and continual improvements made, if their effects are measured regularly and consistently. Reporting is passed up the management chain so that any material problems can be resolved. We also need to continue to foster a culture of openness, so that anyone with a concern regarding bribery feels able to report it to a designated officer within their Group company.

One of Camellia’s core values is “to act honestly, fairly and with integrity and respect in all business dealings”. It has long been Camellia’s policy not to condone bribery in any form. The leadership of each Group company must ensure that their policies and procedures are adhered to.

For further detailed information on the Bribery Act 2010, please follow this web link:

<http://www.legislation.gov.uk/ukpga/2010/23/contents>. Any questions should be raised with the Group General Counsel, Amarpal Takk at Linton Park by email: takk@camellia.co.uk.

The Bribery Act 2010

The Act, the guidance on the Act from the Ministry of Justice and statements made by The Crown Prosecution Service and Serious Fraud Office effectively require UK companies, and companies which do any business in the UK (each, a “**Relevant Company**”), to implement adequate anti-bribery policies and procedures in all Group companies if they are to have a defence against prosecution under the Act. The adequacy of these policies and procedures will influence whether or not such a prosecution is commenced.

Definitions

It is important to define the offence which can be committed by a Relevant Company (“**the Corporate Offence**”) before prescribing policies and procedures.

The Corporate Offence is committed when a person who performs services (which is to be interpreted widely and may include a subsidiary, supplier or contractor, amongst others) for that Relevant Company ‘bribes’

another person intending to obtain or retain business for that Relevant Company, or to obtain or retain an advantage in the conduct of business for that Relevant Company.

For the purpose of the Corporate Offence, a “**bribe**” is either of two of the bribery offences which are prohibited by the Act:

- *active bribery*: offering, promising or giving any financial or other advantage to another person (directly or through a third party) intending to induce anyone to perform a function or activity ‘improperly’¹ (or reward anyone for improper performance), or knowing or believing that the acceptance of the advantage would constitute improper performance; or
- *bribing a ‘public official’*²: offering, promising or giving any financial or other advantage (directly or through a third party) to a public official, or to another person at the public official’s request or with his assent or acquiescence, intending to influence the public official in that capacity (in relation to company business).

At the individual level, the Act prohibits *active bribery* and *bribing a public official* (as set out above) as well as *passive bribery*. Passive bribery is requesting, agreeing to receive or accepting (directly or through a third party) a financial or other advantage, for anyone’s benefit:

- intending that, in consequence, a function or activity should be performed improperly (by any person);
- where such a request, agreement, or acceptance constitutes improper performance of a function or activity; or
- as a reward for the improper performance of a function or activity (by any person), or
- performing a function or activity improperly in anticipation of, or in consequence of, requesting, agreeing to receive or accepting (directly or through a third party) a financial or other advantage, for anyone’s benefit.

Scope of Camellia’s policies and procedures

Even though only active bribery and bribing a ‘public official’ can give rise to the commission of the Corporate Offence by a Relevant Company, the policies and procedures of the Group companies must address the risks of the occurrence of all types of bribery, whether at a corporate or individual level, in order to strengthen the Group’s anti-bribery culture.

In addition, these policies and procedures apply to the whole Group. This is not only because we strive to maintain our culture of integrity throughout the Group, but also because the legislation’s broad drafting may give rise to a wide interpretation as to which Group companies do ‘business’ in the UK, and which ‘perform services’ for Relevant Companies. The fact that the actions of our suppliers and contractors may give rise to liabilities within the Group means that our policies and procedures should also be communicated and applied to third parties (where appropriate).

¹ ‘Improper performance’ of a function or activity includes someone performing (or failing to perform) a function or activity in bad faith when they are supposed to do so in good faith; in a biased manner when they are supposed to act impartially, or contrary to an expectation of how they ought to act (or the reasons for their actions) where they are in a position of trust.

² This is a person who (a) holds a legislative, administrative or judicial position of any kind, whether appointed or elected, of a country or territory outside the UK (or any subdivision of such a country or territory); (b) exercises a public function for or on behalf of a country or territory outside the UK (or any subdivision of such a country or territory) or for any public agency or public enterprise of that country or territory (or subdivision), or (c) is an official or agent of a public international organisation (an organisation whose members are countries or territories, governments of countries or territories, other public international organisations, or any combination of these).

Specific areas

There are several key areas which this guidance covers. These reflect the areas of risk which our risk assessment highlighted, and types of behaviour which reduce the risk of bribery. They are:

- Facilitation payments.
- Gifts, hospitality and expenses.
- Donations.
- Advice and complaints.
- Internal controls and book-keeping.
- Due diligence and external relations.
- Monitoring and review.

Although these areas are dealt with in detail in this guidance, it does not mean that bribery risks do not exist elsewhere. All employees across the Group must be aware that bribery comes in many forms and if they are in any doubt they should speak to the designated officer within their Group company operation (referred to throughout this document as the “**Territory Anti-Bribery Officer**”). Territory Anti-Bribery Officers may in turn seek advice from the “**Group Anti-Bribery Officer**”. Details of the Group Anti-Bribery Officer and each Territory Anti-Bribery Officer are set out in the Appendix to this policy.

Facilitation payments

Facilitation, or so-called ‘grease’ payments, are unofficial payments made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has a legal or other entitlement. They often occur when the recipient extorts a payment using the power of his or her official position and where the consequence of not paying, such as failure to clear goods from customs, may be out of all proportion to the small payment demanded. Usually facilitation payments are demanded by public officials, but they can also be solicited by employees of commercial providers of services such as telephones or utilities supply. The private sector risk is growing as services are increasingly outsourced to executive agencies or are privatised.

It is recognised that the Group may be operating in countries where facilitation payments are endemic and part of everyday culture and practice, and where the complete elimination of these payments may not be possible immediately.

As such, our policies and procedures on facilitation payments are designed to assist employees in dealing with the issue of facilitation payments and give guidance on how to deal with them in a way that is both practical and designed to avoid such payments being made.

POLICIES

- (a) **Maintaining a commitment to ‘zero tolerance’ of facilitation payments and the elimination of these payments, where they are found, over an appropriate period.**
- (b) **Clear recording of all facilitation payments and requests.**
- (c) **Collaborating with appropriate law enforcement agencies, diplomatic bodies and trade associations to reduce demand for facilitation payments.**

Gifts, hospitality, and expenses

Good practice permits promotional expenditure when it is transparent, proportionate, reasonable and bona fide. There are three key areas:

- *Gifts*: these include money, goods, services or loans given ostensibly as a mark of friendship or appreciation; they should have no role in the business process other than that of making and enhancing relations, and abuses may occur when this is not the case.
- *Hospitality*: this includes entertaining, meals, receptions, tickets to entertainment and social or sports events, and it requires the host to be present (otherwise it is a gift); it provides an environment in which business relationships and activities can be started, fostered and information imparted; abuses may occur when hospitality is excessive in value, given too often, or leaves the recipient in a position of obligation.
- *Expenses*: these are the provision or reimbursement by the company of travel and other related expenses incurred by a prospective client, customer or business partner (not as part of a contractual agreement); abuses may occur where the travel or events are accompanied by excessive hospitality, luxurious accommodation, low levels of business content or provision of expenses for family and friends of the business person.

Any inference that the expenditure was intended as a bribe would be strengthened if it should transpire that there had been any unjustifiable 'add-ons', for example with regard to travel or accommodation, or that the expenditure in question could be related in time to some actual or anticipated business with the recipient, particularly in a competitive context.

Unreasonable or disproportionate expenditure of this kind can fall within the 'active bribery' offence (where improper performance is a component of the crime) but it can also fall within the offence of 'bribery of a public official', for which there is no need to show improper performance of a function or activity and all that is required is an intention to influence. As such, a company that gives modest gifts, hospitality or expenses to public officials could be committing an offence under the Act by providing an advantage to a public official if they are intended to influence him or her, and to obtain or retain business or a business advantage. For this reason, as well as to preserve the integrity of the Group, the policies and procedures must be adhered to strictly.

Policies

- (a) Prohibiting the offer or receipt of gifts, hospitality or expenses whenever these (i) could affect or be intended or perceived to affect the outcome of business transactions (for example, when they are linked to obtaining or retaining specific business, rather than simply maintaining good relations with a third party) or (ii) are not reasonable and proportionate expenditure.**
- (b) Prescribing limits on gifts, hospitality and expenses which are not to be exceeded without the written authorisation of the Territory Anti-Bribery Officer.**
- (c) Clear recording of all gifts, hospitality and expenses.**

Donations

Political donations & lobbying

A political contribution is a contribution, financial or in kind, to support a political cause. Financial contributions can include both donations and loans. In-kind contributions can include (without limitation) gifts or loans of property, provision of services and the use of employees. The key risk arising from political contributions is that they may be used by a company as a subterfuge for bribery to retain or obtain a business advantage, such as to win a contract, obtain a permit or licence, or shape legislation favourable to the business. Their capacity to constitute bribery, and to encourage corruption, means that the Group prohibits them entirely. Whilst the Group has no control over contributions by individuals (and nor should it),

any such contributions must be at the discretion of the individual, and the Group will not reimburse the individual in any way or form (whether financially or by allowing time off) for making such contributions.

The Group believes that lobbying is a normal and useful part of the process of legislation as long as it complies with all legal requirements. It enables us to provide benefit to government and government organisations by sharing our expertise and experiences. It is also a legitimate opportunity for us to enhance our reputation and influence the development of public policy. In doing so, Group companies must (i) act with integrity and honesty, (ii) provide true and accurate information and (iii) always be legally compliant.

Charitable donations and sponsorship

Risks associated with charitable contributions and sponsorships are that they may be used as a subterfuge or route for bribery and present opportunities for kickbacks. Charitable donations must not be made, or sponsorship given, where they could influence a current bidding situation or, subsequently, as a 'reward' for the awarding of a contract.

Group companies should (i) make sure a valid body which is the recipient of any funding; and (ii) determine whether there is any associated public official. Donations to individuals should be avoided but if such payments are made, the payments should be approved and monitored closely by the Territory Anti-Bribery Officer and fully recorded.

Policies

- (a) Making no direct or indirect political contributions or donations in any form whether to political parties, causes or to support individual candidates in any jurisdiction.**
- (b) Making charitable donations and providing sponsorship in line with the applicable procedures, applying proper due diligence and recording standards.**
- (c) Avoid making charitable donations or providing sponsorship which (i) could be perceived to affect the outcome of business transactions (for example, when they are linked to obtaining or retaining specific business, rather than simply achieving a charitable objective) or (ii) may directly or indirectly knowingly confer a benefit of any kind on a public official, or his or her family or associates.**

Advice and complaints

Group company employees should know that it is their duty not just to resist demands but to report any concern to the Territory Anti-Bribery Officer or the Group Anti-Bribery Officer. Group companies must ensure that employees are not afraid to report wrongdoing or suspected violations of these policies and procedures through an effective advice service and whistleblowing process. This will also be a useful management tool to help ensure consistency across the Group.

Our policies and procedures will be made more effective by providing an opportunity for giving advice, encouraging suggestions for improvements and raising difficult issues. Employees across the Group should be encouraged to seek guidance or discuss issues before making complaints, as quite often misunderstandings may arise as to the character of a transaction which can be resolved in a straightforward manner.

Given that the Territory Anti-Bribery Officer will often be involved in decision-making regarding payments which may or may not be legal, advice should be requested from, and complaints submitted to, the Group Anti-Bribery Officer who will be able to consider an issue independently. Genuine concerns must be listened to and acted upon in a timely manner. The legitimate use of whistleblowing mechanisms must not provoke

retaliation. Reports should be provided periodically to management and annually to the leadership of each Group company on the issues raised, the actions taken and the promptness with which enquiries were dealt with. There should be a system in place for proper documentation and filing of the concerns raised, their handling and the outcomes.

Policies

- (a) Encouraging employees and others to raise concerns and report suspicious circumstances as early as possible.**
- (b) Providing secure and accessible channels through which employees can seek advice on the application of the policies and procedures.**
- (c) Providing secure and accessible channels through which employees can raise concerns and report violations in confidence and without risk of reprisal.**

Internal controls and book-keeping

Group companies must provide reasonable assurance that payments and receipts are properly authorised by their respective management teams. A bribery incident represents a breach of internal controls and proper audit is the process by which the reliability of internal controls can be checked and verified to provide assurance to management, the leadership team, investors and other stakeholders.

Accurate book-keeping allows checks to be made that proper procedures are followed and will identify how processes can be improved to increase effectiveness in countering bribery. It can also provide hard evidence in the case of investigations or court proceedings undertaken to enforce anti-bribery policies and laws. Books should be kept up-to-date; transactions should be recorded chronologically and supported by original documents which are fully cross-referenced. Care should be taken to establish a comprehensive filing system and the audit trail of each transaction from origin to completion must be maintained. All transactions must be truthfully recorded in the official books and no 'off-the-books accounts' should be kept.

Internal checks should be maintained to ensure that no one employee has responsibility for a whole transaction. Initiating the transaction, physical handling of goods and of cash, authorising or receiving payments and recording the transaction in the books of account must be performed by different employees. Although the Act requires us to consider legal issues carefully it is clear that one of the most important disciplines is to maintain strict internal controls and accurate bookkeeping, so these policies and procedures must be followed strictly.

Policies

- (a) Maintaining robust internal controls on requests for payments and approvals of payments.**
- (b) Segregation of duties for transaction processing.**
- (c) Accurate recording of all payments and associated documentation.**
- (d) Proper auditing of company books.**

External relations and due diligence

Each Group company must carry out appropriate research, investigation, assessment and monitoring on its significant business relationships to ensure that third parties' conduct is consistent with Camellia's approach to compliance with the Act. This is both a reputational issue and a legal matter: the Corporate Offence under the Act is committed when a third party who 'performs services' for a Relevant Company bribes another person intending to obtain or retain business, or a business advantage, for that Relevant Company. Types of

third parties who 'perform services' will be interpreted widely, including agents, suppliers and contractors (amongst others); as such their acts could give rise to liabilities for the Group. Third parties which simply supply goods to the Relevant Company should not however trigger the Corporate Offence.

As most Group companies have many such significant business relationships, they will have to consider the scope and depth of due diligence for each such relationship. This could range from in-depth due diligence on all such counterparties being appointed in countries prone to corruption to selective due diligence assessed on the significance of a supplier to the continuity and growth of business.

Due diligence on these business relationships should be performed with care, in proportion to the relevant risks, in all areas of business.

In addition, the following areas, each an "**Investment**", should also be subject to due diligence (where it is appropriate and applicable):

- *Subsidiaries and significant investments*: each Group company should consider whether their significant investments (which in aggregate is more than 20% of another entity's issued shares) have adequate policies and procedures of their own.
- *Mergers and acquisitions*: each Group company should endeavour to determine whether the purchased company's business is viable and not sustained by bribery or other illegal acts; in addition, each Group company should consider the cost of remedying any weaknesses in the acquired company's anti-bribery policies and procedures.

By applying robust procedures to each type of counterparty, with discretion to take further action, Group companies can prevent reputational and legal issues arising in the future.

Policies

(a) Applying due diligence to each Business Relationship and Investment (where appropriate).

(b) Encouraging the implementation of anti-bribery policies and procedures in significant Qualifying Business Relationships and Investments.

(c) Ensuring that significant contracts with agents and other intermediaries require adherence to anti-bribery policies and procedures and provide for remuneration which is appropriate for legitimate services rendered or made through bona fide channels.

Monitoring and review

Monitoring and review will establish whether these policies and procedures are successful and ensure compliance with the Act over time. This policy applies to all anti-bribery activities across the Group, intermediaries and other business relationships, and must be under continuous review both to ensure it remains effective and to allow necessary improvements to be made.

There are three strands to this important part of this policy:

- *Responses to events*: whenever advice is sought, a complaint is made or a bribery-related incident occurs it provides an opportunity to examine the strength of the policies and procedures and consider reviewing their content.
- *Regular internal review*: the sharing of information across the Group on a regular basis will enable the spread of best practice as well as the prevention of bribery-related incidents.
- *Regular external review*: consultation with external advisers will enable the policies and procedures to remain up-to-date with current law and business best practice.

The Group Anti-Bribery Officer will co-ordinate the response to each of these strands of monitoring and review on a Group-wide level, reporting to the Camellia Strategy Group.

Policies

- (a) Ensuring that all requests for advice, complaints and incidents of bribery give rise to a re-assessment of the strength of the policies and procedures.**
- (b) Sharing information across the Group to spread best practice and prevent bribery-related incidents.**
- (c) Consulting external advisers periodically to benchmark and update the policy and procedures.**

Appendix

Group and territory anti-bribery officers

Officer	Company	Name	Contact details
Group Anti-Bribery Officer	Camellia Plc	Amarpal Takk	takk@camellia.co.uk
Territory Anti-Bribery Officer	EP Cape	Johan de Kock	johan@epesa.co.za
Territory Anti-Bribery Officer	EP Kenya	Leah Kibii Chirchir	lkibii@easternproduce.co.ke
Territory Anti-Bribery Officer	EP Malawi	David Reynolds	dreynolds@easternproduce.co.mw
Territory Anti-Bribery Officer	EP Tanzania	Luke Edwards	luke.edwards@easternproduce.co.tz
Territory Anti-Bribery Officer	EP South Africa	Johan de Kock	johan@epesa.co.za
Territory Anti-Bribery Officer	Kakuzi Plc	Simon Odhiambo	sodhiambo@kakuzi.co.ke
Territory Anti-Bribery Officer	India	Pranjal Neog	pranjal@goodricke.com
Territory Anti-Bribery Officer	Duncan Brothers	Imran Ahmed	imranahmed@duncanbd.com
Territory Anti-Bribery Officer	Jing Tea Limited	Melanie Tricklebank	melanie.tricklebank@jingtea.com
Territory Anti-Bribery Officer	AJT Limited	David Scalley	dscalley@ajt-engineering.co.uk
Territory Anti-Bribery Officer	Bardsley Horticulture Limited	Robert Nithsdale	robert.nithsdale@bardsley-england.com
Territory Anti-Bribery Officer	Brazil	Alex Giovani Bruch	alex@cclawrie.com.br