

## **Anti-Bribery, Corruption & Fraud**

As part of Clarks policy review we have recently updated our Bribery, Corruption and Fraud policies and training. Part of our responsibility as an ethical company is to ensure that both employees and associates of the company understand the legal framework we operate within, can comply with the law, and are appropriately protected.

You may be defined as an associate of Clarks under the law, and therefore UK law could apply to these aspects of how you do business.

### **ADVISORY NOTE TO PERSONS ACTING ON BEHALF OF C & J CLARK LIMITED OR ANY OF ITS SUBSIDIARY ENTITIES (“the Group”).**

This note summarises the significant changes in UK anti-corruption law brought about by the Bribery Act 2010 and the continuing need for the Group to take appropriate action to ensure awareness of the offences and to protect against incurring liability.

#### **ISSUE**

The Bribery Act 2010 came into force on 1 July 2011. It introduced changes in the law that could significantly impact the conduct of the Group’s business, both in the UK and abroad, in that:

- It extends the crime of bribery to cover all private sector transactions (previously bribery offences were confined to transactions involving public officials and agents).
- It contains a new strict liability offence of failing to prevent bribery. An organisation will only have a defence to this offence if it can show it had “adequate procedures” in place to prevent bribery.
- Its scope is extensive – the offences are very broadly defined and it has significant extra-territorial reach.
- The offences contained in the Bribery Act carry criminal penalties for individuals and organisations. For individuals, a maximum prison sentence of ten years and/or an unlimited fine can be imposed; for companies, an unlimited fine can be imposed.

This note is prepared as part of the Group’s continuing review of its anti-corruption procedures and to ensure it has sufficiently robust procedures to prevent corruption and to mitigate the risk of committing an offence under the Act.

#### **BRIBERY OFFENCES**

The Act contains four offences:

- A general offence covering offering, promising or giving a bribe.
- A general offence covering requesting, agreeing to receive or accepting a bribe.
- A distinct offence of bribing a foreign public official to obtain or retain business.
- A new strict liability offence for commercial organisations where they fail to prevent bribery by those acting on their behalf.

#### **THE OFFENCE OF FAILING TO PREVENT BRIBERY: STRICT LIABILITY AND THE ADEQUATE PROCEDURES DEFENCE**

A commercial organisation commits an offence **if a person associated with it** bribes another person for that organisation’s benefit.

A person is “associated” with a member of the Group if it performs services for or on behalf of the organisation, regardless of the capacity in which they do so. This can be construed broadly and could cover the group’s agents, employees, subsidiaries, intermediaries, joint venture partners and suppliers, all of whom could render the Group guilty of this offence.

#### **PARTICULAR RISKS FOR THE GROUP**

Certain of the Group’s activities and operations expose it to particular risks of being involved in corruption and leave it vulnerable. In particular:

- **Corporate hospitality and gifts:** There is a risk that corporate hospitality, such as customer or supplier entertainment, and the giving or receiving of gifts might be seen as bribery, especially in dealings with foreign public officials. Lavish hospitality or gifts must be avoided, both the giving and receiving.
- **Facilitation payments:** These are payments demanded by officials (or others) simply to secure or expedite the performance of their normal duties (for example, granting a licence, allowing goods to cross a border, and so on). These are commonplace in some jurisdictions, but the making of such payments, regardless of how small, is an offence under the Act.

**It is important to the Group that anyone continuing to perform services on its behalf understands the content of this note and agree that in carrying out those services, they will never act in a way that could be construed as bribing another person for the Group's benefit.**

**If at any time you have any concerns relating to activities on behalf of the Group, please raise them with the Company Secretary or alternatively e-mail to [ethics@clarks.com](mailto:ethics@clarks.com)**

**Please would you confirm you have read and understood this message by emailing [ethics@clarks.com](mailto:ethics@clarks.com)**

**C & J CLARK LIMITED**