

M M BELL and SONS Limited.

Anti Bribery and Corruption Policy

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Anti Bribery and Corruption Policy Statement.

M M Bell and Sons Ltd. is committed to conducting all of its business in an honest and ethical manner, in doing so the approach to Anti Bribery and Corruption will be part of 'business as usual' and embedded into the culture of the Company.

It is the policy of M M Bell and Sons Ltd, that it and its employees, associates or agents, in fulfilling the moral and legal obligations of the United Kingdom Bribery Act 2010 will have zero tolerance of bribery and that all our business dealings and relationships will be done so fairly, professionally and with integrity. We would expect our suppliers and customers to act likewise.

In doing so M M Bell and Sons Ltd. will:

Take appropriate action against any person associated with the Company who commits offences under the Bribery Act;

Notify appropriate authorities if it is made aware of any acts of bribery affecting and or impacting upon its business;

Evaluate business decisions and based on a risk assessment take appropriate and proportionate measures to ensure compliance with the Bribery Act and this policy;

Review the control procedures used in managing its obligations under this policy and the Company's legal requirements;

Continually review the appropriateness of this policy and its associated procedures and actions;

Provide appropriate training to employees, associates and agents of the Company who might expose the Company to acts of bribery or whom might be subject to acts bribery;

Provide support to employees who raise concerns about allegations of bribery and corruption;

Give and receive business gifts and hospitality where they are offered in friendship and not where they are meant to gain a business advantage.

Furthermore M M Bell and Sons Ltd. and its employees, associates or agents, in fulfilling their moral and legal obligations of the United Kingdom Bribery Act 2010 will:

Not offer any form of bribe or inducement to any persons in return for business advantage.

Not receive any form of bribe or inducement from any persons in return for business advantage.

Not, unless they are purely for marketing and or promotional purposes offer or provide gifts and hospitality to any public official or employee.

This Policy Statement approved March 2012 by the Directors of M M Bell and Sons Ltd.

J. Stevens (Managing)

D.J. Hobson (Sales)

The Anti-Bribery and Corruption Policy

The Policy - Introduction

M M Bell and Sons Ltd. is committed to conducting all of its business in an honest and ethical manner, in doing so our approach to Anti Bribery and Corruption will be to embed it into the culture of the Company so that the procedures become part of 'business as usual'.

It is the policy of M M Bell and Sons Ltd, that it and its employees, associates or agents, in fulfilling the moral and legal obligations of the United Kingdom Bribery Act 2010 will have zero tolerance of bribery and that all our business dealings and relationships will be done so fairly, professionally and with integrity. We would expect our suppliers and customers to act likewise.

To ease the reading of this policy it should be noted that:

The **"Company"** means M M Bell and Sons Ltd. sometimes this will be shown in the policy as **"we"** or **"our"**

The **"Board"** or **"Board of Directors"** means the Directors of the Company from time to time present at a meeting of the Directors or a committee of the Directors duly convened and held.

The **"Directors"** mean the directors of the Company from time to time who are registered as directors at Companies House.

"Third Party" means any individual or organisation you come into contact with during the course of your work for M M Bell and Sons Ltd.

General Overview

In plain and simple terms bribery is offering, or promising to offer, someone a payment (which need not be money) in return for a favour or to influence them or their associates to do something for you. Or it's taking or promising to take some form of payment in return for doing the person or that person's associates a favour.

Some examples of bribery (remember both the giver and receiver of the gift are guilty of bribery) are:

A court official taking money in exchange for not recording a driving offence;

Giving money to a customs officer to get a package through customs or get it through quicker;

Giving a 'special or expensive gift' to a buyer so you / your company wins a contract;

Accepting a gift or favour to ensure someone or someone's company wins a contract to supply goods and or services to you / your employer.

The United Kingdom Bribery Act of 2010 describes four criminal offences.

1. Bribing another person.
2. Being bribed.
3. Bribing a foreign public official.
4. Failure to prevent bribery.

The actions do not have to have taken place in the United Kingdom for an offence to have been committed and action to be taken by the United Kingdom authorities.

It is a criminal offence for an individual to give or to receive a bribe. Individuals involved in bribery can be imprisoned for up to 10 years.

It is a corporate offence if a business is found to have failed to establish controls to prevent bribery. If, M M Bell and Sons Ltd. as a company have been found guilty of committing an offence then both the company and its directors can be fined an unlimited amount.

M M Bell and Sons Ltd. could also be liable where someone who performs services for it (like a supplier or agent) pays a bribe specifically to get business, keep business, or gain a business advantage from an organisation.

We will ensure that we have adequate procedures in place to prevent bribery, and will take all appropriate actions against any person acting, or purporting to act on the Company's behalf and or any persons seeking to bribe any person associated with the Company.

For employees this may result in a charge of gross misconduct and result in termination of employment; for suppliers this might result in the termination of any contracts to supply; for customers this might result in the Company refusing to supply goods and services.

Organisations must have "adequate procedures" to demonstrate they have not "failed to prevent Bribery", therefore M M Bell and Sons Ltd. has taken appropriate measures and has procedures in place to ensure that the Company protects itself from acts of bribery and to ensure that its staff and representatives are aware of and abide by the Company's policy.

This policy establishes the 'rules, regulations and procedures' employed by M M Bell and Sons Ltd. to ensure that it has established good practice to ensure it or its employees, associates or agents are NOT involved in any acts of bribery and corruption

The Company is guided by the Six Principles of good practice set out by the Ministry of Justice in its guide to the 2010 Bribery Act.

Principles

The six principles described in the Ministry of Justice Guidance to the Bribery Act 2010 have been used as a framework to develop both our policy and procedures in managing the Company's responsibilities with regards to the Bribery Act. The six principles are,

Controls and procedures are proportionate: The procedures to prevent bribery used by M M Bell and Sons Ltd. are considered, by the Board, to be proportionate to the bribery risks faced, the nature, scale and complexity of the Company's activities and the functions performed by employees, associates and agents. The procedures are clear, practical, accessible, effectively implemented and enforced.

Supported by Top-level commitment: The directors, owners and managers of M M Bell and Sons Ltd are committed to preventing bribery by persons associated with it, and, in doing so will foster a culture within which bribery is never acceptable.

Based upon Risk Assessment: On a periodic basis, we assess the nature and extent of the Company's exposure to potential risks of bribery.

That Due diligence is taken: We apply due diligence, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for, or on behalf of, the organisation, in order to mitigate identified bribery risks.

Communicated: We seek to ensure that our bribery prevention policies and procedures are embedded and understood throughout the Company through internal and external communication, including training, and that our suppliers and customers are aware of our policy. The Directors believe that means and levels of communication are proportionate to the risks the Company and persons exposed to risk face.

Monitored and reviewed: We will review our procedures designed to prevent bribery by persons associated with the Company and makes improvements where necessary. A self assessment of how the Company has applied these principles has been undertaken and a re-appraisal will form part of annual reviews of the policy.

Purpose and Scope of Policy

The purpose of this policy is to enable M M Bell and Sons Ltd. to:

- comply with the law in respect of bribery and corruption;
- follow good practice;
- protect the Company's stakeholders, staff and other individuals;
- protect the organisation from the consequences of a breach of its responsibilities.

This policy relates to the prevention of bribery and corruption. It is not intended to address other criminal offences such anti-trust/competition offences, or money laundering.

This policy applies to the whole organisation. All of the Company's personnel including agents, consultants, contractors and associated persons involved in the Company's business activities must become familiar with, understand and comply with this Anti-Bribery and Corruption Policy Statement.

Communications and Training

This policy is endorsed by the Directors of M M Bell and Sons Ltd. and shared with employees, associates and agents.

The Anti-Bribery and Corruption policy statement will be made available on the Company web site and on staff notice boards. The Company's standard Terms and Conditions of Sale also set out the approach taken in managing Bribery and Corruption.

The policy statement will be incorporated into the Company's induction manual.

Training will be provided to all staff, associates and agents that is proportionate to the likelihood of that person being in a position to place the Company or themselves at risk of failing to comply with the Bribery Act. Thus the level of training and awareness given to "shop floor staff" will be less intense than that provided to those who are responsible for buying and selling.

Training records will be kept by the Company

All staff will be provided with knowledge to enable them to raise their concerns that the Bribery Act might be being breached.

Where the Company is involved in negotiations for the supply of goods / raw materials the Policy Statement will be provided to all suppliers at the commencement of our invite to supply goods / raw materials to us.

Roles and responsibilities

Whilst it is the responsibility of all persons and organisations associated with the Company to comply with this policy the following specific roles and responsibilities are established.

Shareholders should:

Challenge the Director's management of the Company's Anti Bribery and Corruption Policy;

Secure assurance that the Company is not committing offences under the Bribery Act 2010.

Directors should:

- Ensure that the Company complies with the Act;
- Ensure that appropriate budgets and resources are identified and released to ensure compliance;
- Provide mechanisms by which staff, customers, suppliers and customers can confidentially report any acts (or attempted acts) of bribery;
- Ensure appropriateness of actions taken to control risks;
- Monitor, review and where appropriate take corrective actions, to ensure compliance with the policy;
- Appoint a single point of contact who will act as compliance officer*¹;
- Ensure that a register of gifts and hospitality is maintained and reviewed.

Managers should:

- Support the Directors and the Compliance Officer in the fulfilment of their roles and responsibilities;
- Ensure staff in the areas they manage are aware of and understand their roles and responsibilities;
- Ensure that all accounts, invoices, memoranda, emails and other documents and records relating to dealings with third parties, such as customers, suppliers and business contacts, are prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

Employees should:

- Ensure that they are aware of and understand this policy and act at all times in accord with this policy;
- Attend and participate in all training provided and to advise the trainer and or their manager if they have not understood the training;
- Notify their manager of any conflicts of interest in undertaking their role or they feel that their association with a person or company might cause the good name and standing of M M Bell and Sons Ltd to be jeopardised;
- Ensure that all expenses claims relating to hospitality, gifts or expenses are submitted in accordance with Company rules and specifically record the reason for the expenditure;
- Notify the Compliance Officer of any gifts and or hospitality offered or given.

Associates, Agents and Partners should:

- Ensure that they are aware of and understand this policy and act at all times in accord with this policy;
- Attend and participate in all training provided and to advise the trainer if they have not understood the training;
- Notify the Directors of any conflicts of interest in undertaking their role or they feel that their association with a person or company might cause the good name and standing of M M Bell and Sons Ltd. to be jeopardised.

¹ The role of compliance officer might form part of a person's wider roles and responsibilities

Customers should:

Act in accord with the requirements of the United Kingdom Bribery Act 2010 and any regulations and laws active in the country (countries) in which they operate;

Note and comply with our standard Terms and Conditions of Sale.

Suppliers should:

Act in accord with the requirements of the United Kingdom Bribery Act 2010 and any regulations and laws active in the country (countries) in which they operate;

Support the Company in ensuring and demonstrating that this policy and its associated procedures are being applied across its supply chain.

All of the above should:

Notify the compliance officer of any alleged breaches of the bribery act directly or indirectly involving M M Bell and Sons Ltd. or persons associated with the Company;

Notify the compliance officer of any areas of the Company's policies and procedures which they feel could be improved.

The Compliance Officer should:

Ensure that the registers of gifts and hospitality and declarations of interest are kept up-to-date, report on how any received gifts were disposed of, and on a quarterly basis present the registers to the Board of Directors for review;

Ensure that all persons associated with the Company are aware of their responsibilities in ensuring that this policy is effectively administered;

In accord with other Company policies investigate any allegations of Bribery and Corruption impacting upon the Company;

The Compliance Officer will monitor the effectiveness and review the implementation of this policy, its suitability, adequacy and effectiveness and suggest areas for improvement.

Employees, associates, partners or agents of M M Bell and Sons Ltd. or persons acting on the Company's behalf should NOT:

Give, promise to give, or offer, a payment, gift or hospitality with the intention of influencing, inducing or rewarding improper performance;

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 (where the payment is not a legitimate payment pursuant to local written law);

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 which will be obtained through improper performance by you or us;

Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with the intention of influencing improper performance by us in return;

Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy;

Engage in any activity that might lead to a breach of this policy.

Gifts and Hospitality

This policy does not prohibit normal and appropriate hospitality given to or received from third parties. It is appreciated 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 the circumstances the gift or hospitality is reasonable, proportionate and justifiable. The intention behind the gift or hospitality should always be considered.

The giving or receipt of gifts and hospitality is allowed, if the following requirements are met:

- You have disclosed it to your line manager in advance (where it is possible to do so, or as soon as possible afterwards);
- It is not made with the intention of influencing, inducing or rewarding a third party in order to gain any advantage through improper performance, or in explicit or implicit exchange for favours or benefits;
- It complies with local law;
- It is given / received in the name of M M Bell and Sons Ltd., not in your name;
- It is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time; taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time.
- it is given openly, not secretly;
- Persons offered gifts and or hospitality must notify the Compliance officer who will record the the details on the Gifts and Hospitality (received) register.
- Where M M Bell and Sons Ltd. offer gifts and hospitality these will be recorded on the Gifts and Hospitality (offered) register. Example registers are in the appendix of this policy;

Gifts and hospitality should NOT be given or accepted:

- Which include cash or a cash equivalent (such as gift certificates or vouchers);
- To / from a company when we are participating in a tendering process with them;
- To / from government officials or representatives, or politicians or political parties, without the prior approval of the Managing Director and only when that gift is clearly an aid to marketing and or promoting M M Bell and Sons Ltd or the organisation offering the gift;
- Where it involves any entertainment that is not suitable for families.

Receipt of gifts

Given the nature of our business there will be occasions where staff are in legitimate business situations where it would be deemed to be offensive to refuse a gift or hospitality – if this is so then the following should be adhered to

Value of gift / hospitality offered	Action
Less than £25	No need to record gift on register However should there be a series of gifts of this nature from the same person / supplier or to the same person then the compliance officer will need to investigate and advise the Board of Directors Gift to be given to the compliance officer for disposal (see note below)

More than £25 but less than £100	Record on gifts and hospitality register and notify manager Gift to be given to the compliance officer for disposal (see note below)
More than £100	Record on gifts and hospitality register Notify the Managing Director to seek guidance on actions to be taken Gift to be given to the compliance officer for disposal (see note below)

Disposal of gifts:

Non perishable gifts that are of use to the Company as a whole (eg stationery, calendars) will be used in the 'office', those that are of a more personal nature should be held in a safe place and then disposed of in an equitable manner across the whole of the Company. The manner of this (eg free to enter raffle for all staff) will be determined by the Board of Directors. Perishable goods (eg chocolates) should be shared across the workforce.

The Giving of gifts by M M Bell and Sons Ltd.

The provision of gifts and hospitality by M M Bell and Sons Ltd. will be determined by the Board of Directors and will be used solely for the purposes of marketing the products manufactured.

The value of any single gift must not exceed £50. No cash (or equivalent) gifts should be given.

Where there is a need to provide hospitality or gifts to any civic officials (say to celebrate the 200th anniversary of M M Bell and Sons Ltd.) then any gifts provided will be of a purely marketing and celebratory purpose and will reflect the nature of the business.

The provision of samples of the Company's work is not considered a gift but is provided with the intent to impress potential buyers of the quality, style and variety of work the Company produces.

Contributions and Sponsorship

The Company does not make contributions to political parties, nor do we make charitable donations.

Requests for sponsorship should be forwarded to the Managing Director for consideration by the Board of Directors.

Facilitation payments

Facilitation payments or "kickbacks" as they are sometimes known, are typically 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 maybe common in some other countries in which we operate.

We do not make, and will not accept, facilitation payments of any kind. 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.

If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Directors.

Whilst UK law prohibits facilitation payments or kickbacks, you are not required to place your life or liberty at risk. Any such incidents should be reported to the Directors at the first available opportunity.

Risk Assessment

In determining this policy the Company has assessed the risks faced by its business operations. In doing this assessment the Company has taken into account the

- functions undertaken by employees,
- nature of customers and suppliers business,
- countries in which they operate (using the information available from Transparency International) and
- the perceived likelihood of an act of bribery taking place.

An assessment of the likelihood that the Company might be exposed to risk has been undertaken and this indicates that the overall level of risk faced is "LOW". However, most notably, the risk assessments are influenced by the Company's international trade, therefore further risk assessments of the functions deemed most likely to be at risk will be undertaken at regular intervals or in the event of significant change.

The areas of risk are procurement of imported raw materials and securing sales in certain countries, therefore training and awareness for those staff involved in these actions will be more in-depth than that provided to staff working in low risk areas.

Reporting and Whistle-blowing

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 aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

Any person having concerns about the manner in which M M Bell and Sons Ltd. conducts its business should in the first instance raise their concerns with the Compliance Officer and or a Director of the Company.

Review and Monitor

The reviewing and monitoring of the policy and its associated procedures and associated supporting documents like registers of gifts, and risk appraisals are a key element of ensuring that the Company's actions become part of 'business as usual' and normal operating procedures.

The policy will be reviewed on an annual basis, the risk register and the registers of gifts and hospitality on a quarterly basis. The review will highlight any areas of concern and any areas for improvement.

In the event of there being an allegation of bribery involving M M Bell and Sons Ltd. then, in addition to the investigation into the allegations there will be a review of the policy, and the procedures associated with risk assessments, training and communication.

Supplier Conformance

In addition to seeking assurances regarding the safety and conformance to pertinent international and local legislation of products supplied to us, we will undertake best endeavours to secure assurance from our suppliers that they are compliant with the United Kingdom Bribery Act and with the anti corruption and anti bribery legislation active in the countries in which they operate.

Where a Third Party supplier is unable to provide such assurances, we will assess the risks associated with trading with that organisation and may choose to not conduct trade. This risk assessment will take into account the type of services provided, the size of the supplying organisation, the country operating in and the organisation's history. The assessment will be proportionate to the value of goods / services purchased.

High Risk Scenarios

Some examples of potential high risk scenarios (sometimes referred to as RED FLAG situations) that may occur in the course of our work are set out to assist in understanding areas where the Company needs to take additional care to ensure it is not exposed to Bribery.

The list is not intended to be exhaustive and is for illustrative purposes only to help understand this policy.

If you encounter any of these scenarios while working for us, you must report them promptly to your manager or to the Compliance Officer and or a Director:

- You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- 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;
- Someone 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;
- A person 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;
- Someone requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- A third party requests an unexpected additional fee or commission to "facilitate" a service;
- A third party demands entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A third party requests that a payment is made to "overlook" potential legal violations;
- A third party requests that you provide employment or some other advantage to a friend or relative;
- You receive an invoice from a third party that appears to be non-standard or customised;
- A third party refuses to put terms agreed in writing;
- You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- You are offered an unusually generous gift or offered lavish hospitality by a third party;
- You are asked to give hospitality at which you are requested not to attend;
- You are offered hospitality at which the giver is not going to be in attendance;
- You are asked to give hospitality to persons who are not associated with the organisation (for example family members) or are offered hospitality which extends to persons beyond our business (for example family members)