

**WALKER BOOKS LIMITED, WALKER BOOKS AUSTRALIA  
AND CANDLEWICK PRESS, INC.**

**Anti-Corruption and Bribery Policy**

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## **1. Introduction**

It is Walker Books Ltd, Walker Books Australia, Candlewick Press, Inc. and Walker Productions Ltd's ("the Walker Group") policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions, in which we operate. However, we remain bound by the laws of the UK, including the Bribery Act 2010 in respect of our conduct throughout the world.

This is not just a moral commitment on the part of the Walker Group; it is a legal requirement. Bribery is a criminal offence in most countries in which our companies operate and acts of bribery expose the Walker Group and its employees to the risk of prosecution, fines and imprisonment, as well as endangering the Walker Group's reputation.

This Policy has been adopted by the Walker Group board of directors (the "Board") and is to be communicated to everyone involved in our business to ensure their commitment to it.

The Board attaches the utmost importance to this Policy and will apply a zero tolerance approach to acts of bribery and corruption by any of our employees or by business partners working on our behalf.

Any breach of this Policy will be regarded as a serious matter by the Walker Group and any breach of the Policy by employees is likely to result in disciplinary action and appropriate action will be taken against third parties.

A copy of this Policy will be made freely available to download from Walker Books Ltd, Walker Books Australia and Candlewick Press, Inc.'s respective internet homepage. The Walker Group reserve the right to amend and update this Policy at any time without notice.

The procedures outlined in this Policy will be overseen by Alan Lee, the Board's Anti-Corruption and Bribery Compliance Officer. In the US and Australia, local regional anti-corruption and bribery officers have been appointed reporting to the Board Compliance Officer.

## **2. What is a Bribe?**

The terms bribery and corruption have a range of definitions in law, but the fundamental principles apply universally.

A bribe is either the:

- giving / offering of; or
- the receiving of

a financial or other advantage to encourage a person to act improperly in the course of their functions.

### **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.

In the eyes of the law, the Walker Group will be liable for bribery committed by:

- any employee, officer or director of ours; and
- any person acting on behalf of us (including our agents and representatives); and
- anyone authorised to act by either of the above.

### **3. What does the Law say about Bribery?**

Bribery is a criminal offence in most countries in which the Walker Group operate, and the penalties for engaging in bribery can be severe.

In the UK, not only do sections 1 and 2 of the Bribery Act 2010 make bribery by individuals illegal, section 7 of the Bribery Act also holds UK companies liable for failing to implement adequate procedures to prevent acts of bribery by anyone either working for the company, or working on its behalf, no matter where in the world such acts take place.

In the USA, the Foreign Corrupt Practices Act (or FCPA) imposes similar prohibitions and potential penalties and is enforced with vigour by the American authorities.

It is in your personal interests, as well as those of the Walker Group, that you act with absolute propriety at all times in all parts of the world.

Corrupt acts committed abroad, including those committed by Business Partners and representatives working on our behalf, may also result in a prosecution at home.

### **4. Where do Bribery risks typically arise?**

Bribery and corruption risks typically fall within the following categories:

#### **(a) Use of “Business Partners”**

The use of Business Partners (particularly sub-agents and representatives) is essential to the performance of the Walker Group’s business. We need to be aware that these arrangements can potentially present the Walker Group with significant risks.

The definition of what constitutes a Business Partner is broad, and could also include licensees or agents or any other individual or company acting on the Walker Group’s behalf. If you are unsure whether a party with which the Walker Group have a relationship constitutes that of a Business Partner, please consult your Head of Department.

The Walker Group would be liable for bribery committed by a Business Partner wherever that partner commits an act of bribery on the Walker Group’s behalf (and where the result of those activities can be seen as benefiting the Walker Group).

The Walker Group are ultimately responsible for ensuring that Business Partners who act on our behalf are compliant with this Policy and the Bribery Act.

All Business Partners who act on the Walker Group’s behalf must be advised of the existence of, and operate at all times in accordance with, this Policy.

## **(b) Public Officials**

There is commonly a greater danger of corruption when dealing with public and government officials (or their close families and business associates). A government official could be:

- any public or party official, whether domestic or foreign, at any level of seniority;
- a representative of a government-owned organisation (such as a state-owned television station); or
- an employee of a public international organisation.

## **(c) Gifts, Entertainment and Hospitality**

This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.

The giving or receipt of gifts is not prohibited, if the following requirements are met:

(i) it is not made 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;

(ii) it complies with local law;

(iii) it is given in the company name, not in your name;

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

(v) it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;

(vi) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;

(vii) it is given openly, not secretly; and

(viii) gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of your anti-corruption and bribery officer.

### **Usually acceptable**

Circumstances that are usually acceptable and will not require prior authorisation include:

- modest meals with individuals or organisations with whom we do business;
- occasional attendance at ordinary sports, theatre and other cultural events in the company of the individual or organisation with whom you are doing business;

- gifts of nominal value, such as pens or small promotional items; or
- a taxi or train ride to an airport, railway station or hotel.

A variety of cultural factors such as customs, currency and expectations may influence the level of acceptability. If you feel uncertain at any time regarding cultural acceptability of a particular gift, entertainment or hospitality, please consult your manager or the Anti-Corruption and Bribery Compliance Officer.

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 the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

### **How to evaluate what is 'acceptable'**

Take a step back and ask yourself the following:

- *What is the intent of the receipt or offer of the gift, entertainment or hospitality? Is it to build an ordinary business relationship, or is it for something else?*
- *Would you feel comfortable explaining to your manager the circumstances of the offer or acceptance of the gift or hospitality?*

If you find it difficult to answer either of these questions, there may a risk involved which could be damaging to the Walker Group's reputation and business. The action could also well be unlawful. Although no two situations are the same, the following guidance should always be taken into consideration:

### **What is not acceptable?**

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

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) 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;

(v) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or

(vi) engage in any activity that might lead to a breach of this policy.

### **Transparency is key**

The Walker Group has established a Gifts and Hospitality Register (the “Register”). This will be monitored and audited on a regular basis.

Any form of gift, entertainment or hospitality given, received or offered – which meets or exceeds the equivalent of £100 / US \$150 / AU \$150 in value – must be appropriately recorded in the Register, even in circumstances where the gift, entertainment or hospitality has not been accepted by you or the party with which you are doing business.

### **(d) Facilitation Payments**

In many countries, it is customary business practice to make payments or gifts of small value to government officials in order to speed up or facilitate a routine action or administrative process. It may be that we need to obtain licences or permits faster than the normal course; or, the Walker Group or its Business Partners may lawfully need to import or export stock or other materials.

Despite this, facilitation payments are not permitted under this Policy and are illegal within the UK.

The Bribery Act 2010 makes no distinction between facilitation payments and bribes. Regardless of size or local cultural expectations a facilitation payment could be perceived as a bribe – even if you are informed in a particular country that “this is how business is done here”.

If you are ever placed in such a situation where a facilitation payment has been extorted from you, then you must contact your manager as soon as possible and you must record the payment appropriately within the Register to reflect the transaction.

### **(e) Donations**

The Walker Group do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No donation may be offered or made without the prior approval of the Board’s Anti-Corruption and Bribery Compliance Officer.



## **5. What steps can we take to prevent Bribery?**

We can take the following steps to assist in the prevention of bribery and corruption:

### **(a) Risk Assessment**

The Walker Group has carried out a company-wide audit of the risks posed to the company by bribery. We will refresh this audit on an annual basis. Risk assessment is intended to be an ongoing process with continuous communication between Heads of Department and the Anti-Corruption and Bribery Compliance Officer.

The Walker Group has created simple procedures to help you to evaluate and mitigate the risks presented by both existing and potential Business Partners:

#### **Assessment**

During the course of selecting and negotiating with Business Partners you will need to evaluate whether or not they present a risk of non-compliance with this Policy. A separate Anti-Bribery Due Diligence Checklist is available to staff in the Walker Group's Outlook Public Folders under Policies and to staff in the UK on the Walker Books Ltd website.

As part of the company-wide risk audit the Walker Group have used the Corruptions Perceptions Index 2010 (the "CPI") to help assess its potential exposure to bribery and corrupt practices. The CPI ranks 178 nations according to perceived levels of corruption, and you can find out how the nation or region in which a proposed Business Partner operates ranks by following this link to the Transparency International website:

[http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2010/results](http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results)

The Anti-Corruption and Bribery Compliance Officer can also help in assessing the bribery risk of a particular industry sector.

There is no 'one size fits all' approach to evaluating a Business Partner, but factors to take into consideration will include:

- the Walker Group's past dealings (if any) with that Business Partner;
- the reputation of that Business Partner within their particular industry;
- the susceptibility to bribery and corruption in the country/countries in which the Business Partner is based and operates;
- the background, experience, and reputation of the Business Partner;
- the services to be provided to the Walker Group, and methods of compensation and payment; and
- the business rationale for engaging the Business Partner;

Where a particular risk regarding a Business Partner has been identified, you should consult with your local Anti-Bribery Compliance Officer. Where it is necessary to do so,

managers and Heads of Department should then consult with the Board's Anti-Corruption and Bribery Compliance Officer for further guidance.

### **Making Business Partners aware of this Policy**

At the earliest possible opportunity in any contact with new and potential Business Partners you should direct all potential Business Partners to download and read a copy of the Code of Conduct/Policy, which is available as a PDF from the Walker Books Ltd, Walker Books Australia and Candlewick Press, Inc.'s respective internet homepages located under the About Us section

### **Declaration**

The Walker Group will contractually oblige all contracting parties to read (and acknowledge that they have read) and are compliant with this Code of Conduct/Policy.

### **(b) Accurate Books and Record-Keeping**

Many serious global bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting within the Walker Group and for significant Business Partners working on our behalf. Our books, records and overall financial reporting must also be transparent and accurately reflect each of the underlying transactions. False, misleading or inaccurate records of any kind could potentially damage the Walker Group.

The Walker Group has the following measures in place to combat financial wrongdoing:

- clear policies and processes for the management and recording of financial transactions;
- appropriate financial controls and separation of duties;
- appropriate controls on treasury and banking transactions; and
- clear processes for authorising and monitoring employees' expenses.

### **(c) Effective Monitoring and Internal Control**

The Walker Group must maintain an effective system of internal control and monitoring of its transactions. Once bribery risks have been identified and highlighted via the process of evaluating Business Partners, procedures can be developed within a monitoring programme to help mitigate these risks on an ongoing basis.

## **6. How to raise a concern**

As individuals who work on behalf of the Walker Group, we all have a responsibility to help detect, prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing.

The Walker Group are absolutely committed to ensuring that you all have a safe, reliable and confidential way of reporting any suspicious activity. We want each and every one of you to know that you can “speak up”.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance can only help. The sooner you act, the better for you and for the Walker Group.

If you are concerned that a corrupt act of some kind is being considered or carried out – either within the Walker Group, by any of our Business Partners or by any of our competitors – you must report the concern to your manager or the Anti-Corruption and Bribery Compliance Officer.

If you are not comfortable with speaking directly to a colleague or anyone mentioned above, please speak directly to the Head of Human Resources.

## **7. Monitoring and Review**

The Board’s Anti-Corruption and Bribery Compliance Officer will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified 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.

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

Employees 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 local compliance officer.

This policy does not form part of any employee's contract of employment and it may be amended at any time.

## The Schedule

### Potential Risk Scenarios: "Red Flags"

The following is a list of possible red flags that may arise during the course of your 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 Anti-Corruption and Bribery Compliance Officer **OR** using the procedure set out in the whistle blowing policy:

- (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.