

FINANCIAL CRIME POLICY

This policy provides the necessary arrangements to reduce Fraud, Theft and Money Laundering to an absolute minimum. It also outlines the procedures designed to prevent persons associated with TG Holdcroft Holdings Ltd and its associated companies ("the Company") from undertaking bribery.

References in this policy to "Bribery" mean acts of bribery as defined or further described in Sections 1 to 5 of the Bribery Act 2010. Other expressions used which are given a meaning in that Act bear the same meanings.

The Company will carry out risk assessments and provide the necessary controls and procedures to raise awareness of, identify, detect and prevent financial crime and establish a culture in which these procedures and team member behaviour work together effectively.

The Company provides an appropriate channel for confidential feedback, commonly referred to as "whistleblowing".

The Company will pursue those found to have committed fraud and bribery and will take the necessary legal action to recover assets or otherwise recompense the Company and in appropriate cases instigate criminal proceedings by referring matters to the police, as well as instigating its disciplinary procedures.

This policy applies to all team members and suppliers of goods and services to the Company and its Group.

1. INTRODUCTION

1.1 Fraud & Theft

TG Holdcroft Holdings Ltd is a Family Owned multi-site motor retail group with a turnover (2017) in excess of £350 million and employing a workforce of approximately 550. Its activities are all based in the UK and primarily carried out in the North Staffordshire and South Cheshire regions.

The nature and structure of our business places us at risk of loss due to fraud, theft and corruption (collectively referred to as "Fraud" in this policy) both from within and outside the Company.

The Company is committed to preventing Fraud, or at the very least, reducing to a minimum the risk of loss through Fraud.

This policy will be used by the Company to advise and guide our employees on this serious subject.

"Fraud" is defined as:-

Deception by persons internal or external to the Company, which is carried out to conceal the misappropriation of assets or otherwise for gain, whether by false representation, failure to disclose information or abuse of position.

"Theft" is defined as:-

The dishonest taking of property belonging to another with the intention of depriving the owner permanently of its possession

1.2 Bribery

"Bribery" is defined as any of the following¹ :-

offering, promising or giving a financial or other advantage as an inducement or reward for someone else to perform a relevant function or act improperly (i.e. bribing someone);

¹ Based on definitions in Sections 1 & 2 Bribery Act 2010

requesting, agreeing to receive or accepting a financial advantage intending that, in consequence, a relevant function or activity should be performed improperly, or as a reward for improper performance (ie inviting someone to bribe);

performing a relevant function or activity improperly on the understanding that another party will give a financial or other advantage in return (i.e. receiving a promised bribe after the event).

The nature and structure of our business means that the Company and those associated with it:-

- (a) are in contact with, and have commercial relationships with many business organisations, and
- (b) have contact for business purposes with a limited number of public officials.

The Company's procedures to prevent Bribery are designed in the context of the risk and likelihood of acts of Bribery, having regard to the scope of the Company's activities as stated above and are designed to be proportionate to the risk of Bribery presented by those activities. The Company will ensure that regular risk assessments of the likelihood of and opportunity for Bribery are conducted.

The Company:-

- adopts and regularly reviews a Bribery risk assessment, having regard to the method of, and motive and opportunity for, Bribery to be carried out on its behalf and for its advantage;
- devises and implements procedures designed to prevent Bribery being committed, which are proportionate to the risk of Bribery posed by the Company's and its Group's activities;
- regularly reviews its procedures for effectiveness and proportionality;
- submits at least annually for scrutiny by the Company's Board of Directors all its procedures designed to combat fraud, corruption and Bribery; and
- in particular, makes appropriate changes to procedures if the scope of the Company's and its Group's activities materially changes from that stated on the latest adoption of this policy.

2. TOP LEVEL COMMITMENT TO PREVENTION OF BRIBERY BY PERSONS ASSOCIATED WITH THE COMPANY

As a Group, TG Holdcroft Holdings Ltd maintains relationships with many stakeholders. Among them are commercial organisations and individuals, including both public officials and business executives, who are in a position to exert influence over decisions that materially affect the interests of TG Holdcroft Holdings Ltd and its Group's businesses.

In the light of the general law on bribery and corruption, and, more specifically, the Bribery Act 2010, TG Holdcroft Holdings Ltd has adopted a statement of our corporate value on anti-bribery. This is set out below. The value statement governs all our business dealings and the conduct of all persons or organisations who are appointed to act on our behalf.

We request all who have, or seek to have, a business relationship with TG Holdcroft Holdings Ltd and/or any member of our Group, to familiarise themselves with our Anti-bribery value statement and to act at all times in a way which is consistent with our Anti-bribery value statement.

TG HOLDCROFT LTD ANTI-BRIBERY VALUE STATEMENT

As part of our culture of good governance for good business, at TG Holdcroft Holdings Ltd we operate to a set of core values which reflect our relationships with our principal stakeholder groups: customers, manufacturers, shareholders, suppliers and employees.

We adopt a behavioural value for all our business relationships, reflecting our attitude to bribery, whether it is bribery on our behalf or bribery of our people. We are committed to opposing bribery in all its forms and preventing it by whatever means we can. We demand the same attitude of all who work for us and expect it of all with whom we have business dealings.

Our attitude to bribery is: zero tolerance.

¹ Based on definitions in Sections 1 & 2 Bribery Act 2010

3. RESPONSIBILITY FOR THE PREVENTION AND DETECTION OF FRAUD AND THE PREVENTION OF BRIBERY

Ultimately the primary responsibility for the prevention and detection of Fraud and the prevention of Bribery rests with the Company's leadership. However, an important factor in preventing and dealing with Fraud and preventing Bribery is the co-operation of our employees, customers and suppliers and we expect each of these groups to give the necessary information, help and support when required.

The Company helps leadership in discharging its responsibility by providing the following structures, policies, guidance and systems, each of which is adequately published internally and regularly reviewed and its impact monitored:-

- An effective accounting system;
- Appropriate processes for internal controls including authorisation controls, reporting and investigation procedures;
- Appropriate contracts and terms and conditions of employment;
- Appropriate training and awareness programmes;
- Appropriate disciplinary processes and procedures;
- Guidance manuals accessible to all team members;
- Policies relating to use of computers, email and the internet;
- A procedure for security incident investigation;
- A whistleblowing policy;
- Annual reviews of Bribery risk.

4. ACTIONS TO REPORT FRAUD OR BRIBERY

Employees very often are the first to recognise that something is seriously wrong within the part of the Company within which they work. Employees may be fearful of speaking up for various reasons, however, the Company would encourage concerns being raised and as a result has established following mechanism for the receipt of confidential feedback from team members.

4.1 Whistleblowing Procedure – direct access to senior leadership. The Company's Whistleblowing Procedure is intended to provide guidance on how concerns can be communicated to the Company. The Whistleblowing Procedure may be found in the Employees induction pack. In summary, team members should approach either their Franchise Director, or equivalent senior leader or the Head of Human Resources and Development. If the matter is extremely serious then a Director of the Company or the Company Secretary should be approached. The nature of the complaint will determine the Company's next course of action.

4.2 Any identification of serious fraud or irregularities identified in our accounting records pertinent to CONC 4, will be reported to the FCA to ensure compliance with our disclosure requirements

5. ACTIONS TO PREVENT MONEY LAUNDERING

The senior management take seriously its responsibility for the firm's anti-money laundering (AML) measures. A review has been carried out as to the risks to which the company may be exposed. Overall responsibility for establishing and maintaining effective AML controls is taken by the Financial Director (MLRO). Reports of any ML incidents are discussed at a senior level.

Strict guidelines are in place and are monitored by the Group Franchise Accountants who report directly to the FD (MLRO)..

As part of our anti money laundering policy and in line with money laundering regulations to mitigate the risks Holdcroft will not accept any cash values over £8,999.99. This is from any one individual or during any one transaction. Holdcroft reserve the right to refuse acceptance of any cash that we believe may be fraudulent or that we believe may have been gained through fraudulent means

¹ Based on definitions in Sections 1 & 2 Bribery Act 2010

6. SAFEGUARDS

The Company undertakes to ensure that any team member involved in receiving or investigating concerns or information (whatever its subject matter) reported by an individual in good faith will wherever possible ensure that individual's identity will not be disclosed and that he or she will not be subject to any form of harassment or victimisation. The Company will accept and take seriously concerns communicated anonymously, however, retention of anonymity does render investigations and validation more difficult and can make the process less effective. Individuals are therefore encouraged to put their names to allegations.

Any claims or allegations made which are found to be malicious or vexatious will result in disciplinary action being taken against the individual.

7. HOW WILL ALLEGATIONS OF FINANCIAL CRIME BE DEALT WITH?

For issues raised by Employees or members of the public, depending on the nature of the complaint, the Company will:-

- investigate the matter internally
- and/or Instruct external agents to investigate
- and/or refer matters to the police normally within five working days of a concern being raised, the Company will:-
 - Acknowledge its receipt
 - Indicate how it proposes to deal with the matter
 - Give an estimate of how long it will take to provide a response

Following the conclusion of an investigation, and, at the Company's sole discretion, during an investigation, the Company will, upon request from the individual who raised the concerns, and subject to legal constraints, provide information about the progress and/or outcome of an investigation, normally within ten working days of request.

The Company will on all occasions take whatever steps are appropriate by means of legal procedures to recover losses and prosecute perpetrators of fraud.

The Company's investigation of Bribery allegations will take into account whether any assets of the Company have been misapplied and the Company will take appropriate steps to pursue any recoverable assets.

7. REVIEW

This Financial Crime Policy will be reviewed by the Company on a regular basis for adoption (at least annually) by the Board and may be amended from time to time.

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