



CAPITAL

**ANTI-BRIBERY, ANTI-CORRUPTION, AND ANTI-FACILITATION OF
TAX EVASION POLICY**



ANTI-BRIBERY, ANTI-CORRUPTION AND ANTI-FACILITATION OF TAX EVASION STATEMENT

Capital Limited (“**Capital**”), its subsidiaries and any companies in which Capital has an interest, (collectively, the “**Group**”) are committed to maintaining the highest standards of integrity and accountability in its business affairs. All of our Employees (as defined below at clause 2.1) and Connected Third Parties (as defined below at clause 2.2) are to comply with all international and local anti-bribery and anti-corruption laws, and to comply with all international and local anti-bribery and anti-corruption laws, and are to conduct themselves in an ethical manner.

This policy is to be read together with the Code of Business Conduct (the “**Code of Conduct**”). As stated in the Code of Conduct, Capital denounces any form of bribery or any action which does not comply with the local laws, rules and regulations in which we operate. All Employees are required to deal honestly and fairly with the Capital’s customers, suppliers, competitors and other third parties. Therefore, I fully support our Anti-Bribery Anti-Corruption and Anti-Facilitation of Tax Evasion Policy (the “**Policy**”).

The purpose of this Policy together with the Guidance is to set out our responsibilities, and of those working for and on our behalf, in observing and upholding our position on bribery, corruption and tax evasion, and to provide information and guidance to those working for and on our behalf on how to recognise and deal with any bribery, corruption and tax evasion issues.

Capital has zero tolerance towards anyone involved in acts of bribery (be that facilitating and/or receiving bribes) and/or any acts of tax evasion. We will uphold all laws relevant to countering bribery, corruption and tax evasion, including (under the laws of England & Wales) the Bribery Act 2010 and the Criminal Finances Act 2017 (“**CMA 2017**”).

We take our legal responsibilities very seriously. It is important that all Employees and Connected Third Parties are familiar with and fully understand this Policy and, more importantly, to please use and refer to it when carrying out your daily activities.

Where any Employee or Connected Third Party considers there have been any acts which are and/or may be considered to be acts of bribery and/or tax evasion or any employee, contractor or community member is involved in any act of corruption they are to notify the Compliance Officer, as set out in the Policy.

If you have any questions and/or concerns, please do not hesitate to contact me and/or the Compliance Officer, Catherine Apthorpe.

Jamie Boyton
Executive Chairman

ANTI-BRIBERY, ANTI-CORRUPTION AND ANTI-FACILITATION OF TAX EVASION POLICY

1. PURPOSE AND SCOPE OF POLICY

- 1.1 It is our policy to conduct all of our business honestly and to deal with all customers, suppliers, competitors and other third parties honestly and fairly to avoid situations where the personal interests of Employees or Connected Third Parties are, or appear to be, in conflict with Capital's interests. We take a zero tolerance approach to bribery, corruption and tax evasion. All Employees and Connected Third Parties are to act with integrity and accountability in all of our business affairs wherever we operate and to implement and enforce effective systems to counter bribery, corruption and tax evasion.
- 1.2 Corruption is the misuse of public power for private profit, or the misuse of entrusted power for private gain.
- 1.3 Bribery is discussed further below, but will never be tolerated and/or be in the best interests of Capital. As well as being a criminal offence in the UK and other jurisdictions in which we operate, the payment of a bribe is an unnecessary cost to our business and may expose Capital to criminal or regulatory investigations that may result in prosecution, fines and other costs. Bribery may also expose Capital to legal action from competitors or third parties. Individuals engaged in corrupt behaviour are also likely to face personal criminal prosecution (and any such action will also be considered a serious breach of the terms of your respective employment).
- 1.4 Capital has taken a number of steps to safeguard itself, Employees and Connected Third Parties from allegations of corruption, including bribery. These steps include the following:
- a. carrying out a risk assessment of its business;
 - b. introducing this formal Policy;
 - c. appointing a Compliance Officer who will report to the Risk and Audit Committee at every meeting with a bribery and corruption risk update;
 - d. agreeing that the Board will regularly consider bribery and tax evasion issues and will ultimately take responsibility for them;
 - e. implementing financial controls on all payments made on behalf of the Group;
 - f. introducing a formal Gift log for gifts above £100 (or equivalent in USD or any other currency) and a formal Hospitality log for payments above £150 (or equivalent in USD or any other currency);
 - g. prohibiting facilitation payments;
 - h. referring all potential contracts with third parties to the Compliance Officer before

engagement;

- i. implementing compulsory annual training for all Employees in relation to this Policy; and
- j. liaising with our lawyers to conduct all necessary due diligence on third parties.

2. APPLICATION OF THE POLICY

- 2.1 This Policy applies to all individuals working at all levels in Capital and/or the Group including directors, officers, senior managers, employees, part-time and fixed-term workers, casual and agency staff, seconded workers, volunteers and interns, wherever located (collectively, the “**Employees**”). For the avoidance of doubt, this Policy does not form part of any employee’s contract of employment and, as such, may be amended at any time.
- 2.2 This Policy also applies to Connected Third Parties, meaning all partners, agents, contractors, consultants, sponsors and other contractual counterparties of Capital and/or the Group, wherever situated, (collectively, the “**Connected Third Parties**”) and reflects the standard to which Capital expects Connected Third Parties who interact with public officials on behalf of Capital and/or the Group to adhere.
- 2.3 Employees and Connected Third Parties are required to avoid any activity that might lead to, or suggest, a breach of this Policy. Furthermore, Employees and Connected Third Parties must not use any third parties e.g. agents, consultants, suppliers and/or customers, to perform any act which conflicts with this Policy. Any unlawful or inappropriate acts committed indirectly through third parties are as unacceptable as acts committed directly by Employees and Connected Third Parties.
- 2.4 It makes no difference if Employees or Connected Third Parties personally commit a prohibited act or do so with their own funds. The source of funds used for the acts prohibited or restricted in this Policy does not alter the fact that the acts may constitute improper business practices for which the Group may also be liable.
- 2.5 In addition, it does not matter if the bribe occurs in the UK or anywhere else in the world. This Policy therefore applies to all acts worldwide on behalf of the Group.
- 2.6 It is the responsibility of all Employees and Connected Third Parties to ensure their conduct complies with this Policy and to ensure at all times that they act, honestly, ethically, and in the best interests of Capital and/or the Group.
- 2.7 It is never in the best interests of Capital and/or the Group for its Employees or Connected Third Parties to act dishonestly or unethically, even if Capital and/or the Group would benefit financially.

3. PROHIBITED BEHAVIOUR

Corruption

- 3.1 Corruption is the abuse of a position of employment, authority, or trust (including Government or company positions) to gain an advantage directly or indirectly for private gain.

Bribery

- 3.2 Bribery is offering, promising, giving or accepting any financial or other advantage, including excessive entertainment, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage. Common sense will usually tell you whether something is a bribe although it can take many forms, including the provision or acceptance of:

- a. cash payments;
- b. loans;
- c. phony jobs or “consulting” relationships;
- d. provision of services;
- e. kickbacks (payment made in return for a business favour or advantage);
- f. political contributions;
- g. charitable contributions;
- h. property or any interest in property of any description;
- i. social benefits including the release from any obligation and opportunities; and/or
- j. gifts, travel, hospitality, and reimbursement of expenses.

In this regard you should note the potential risk scenarios (“**red flags**”) set out in the Code of Conduct.

- 3.3 There is no need for a bribe to actually be paid as long as it is offered or requested. The prohibition also applies where Employees or Connected Third Party offer or pay a bribe to another person, whether or not any benefit is received in return.

- 3.4 The Group:

- a. prohibits offering, paying, promising or authorising bribes, kickbacks or any other form of loan, reward, advantage of benefit, facilitation payment or other improper payment, direct or indirect, to anyone including any representative of government, public official, labour union, customer or supplier in order to:

- i. obtain a contract, some other commercial benefit or government action;
 - ii. cause a person to act or fail to act in violation of a legal or official duty; or
 - iii. cause a person to abuse or use his or her position to influence any acts or decisions of the foreign state or public international organisation for which the official performs duties or functions;
- b. prohibits Employees and Connected Third Parties from accepting any bribes, kickbacks or improper payment from anyone;
- c. prohibits gifts of more than a modest value of £100 (or equivalent in USD or any other currency) to or from suppliers or customers, unless the Employee or Connected Third Party has obtained written pre-approval from the Compliance Officer. This is expanded upon further below;
- d. requires clear and precise communication in its contracts, its advertising, its literature, and its other public statements and seeks to eliminate misstatements of fact or misleading impressions;
- e. reflects accurately on all invoices applicable prices and relevant terms of sales for goods sold or services rendered; and
- f. prohibits Employees and Connected Third Parties from otherwise taking unfair advantage of the Group's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

Corrupt Intent

- 3.5 The provision of an advantage will be a bribe where there is a corrupt intent to induce or reward (i) any person doing anything in respect of any matter or transaction; (ii) any government or public official doing anything in respect of any matter or transaction in which the public body is concerned. This could be either to take particular action or to refrain from taking a particular action.

Government or public officials

- 3.6 It is also an offence to bribe a public official, where the intention is to influence them in their capacity as a public official to obtain or retain business, or a business advantage.
- 3.7 In this Policy, the definition and scope of the term "public official" is broad. Laws prohibiting bribery and corruption typically define public officials broadly to include anyone who holds a legislative, administrative or judicial position of any kind, whether appointed or elected, who exercises a public function for or on behalf of a country or for any public agency or enterprise,



or is an official or agent of a public international organisation. Below are just a few examples of public officials relevant to Capital's business:

- a. government ministers and their staff;
- b. members of legislative bodies;
- c. judges and ambassadors;
- d. officials or employees of government departments and agencies including finance, public works, public contracts, customs, immigration, environment, energy and other regulatory agencies;
- e. employees of state-owned or controlled companies;
- f. military and police personnel;
- g. political party officials and candidates for political office;
- h. mayors, councillors or other members of local government;
- i. employees of public international and organizations such as the International Finance Corporation of the World Bank; and
- j. First Nations band officials.

3.8 If you are not sure whether a particular person is a government or public official, please contact the Compliance Officer for further guidance.

3.9 The Group also prohibits "facilitation payments", which are unofficial payments including those made to government officials anywhere in the world which the official may ask for to expedite or perform a routine or necessary action (such as processing visas, granting licences, providing mail delivery, unloading cargo, providing police protection, provision of telephone services or utilities etc.). Typically, the amount requested is fairly low - e.g. £50, £100, £200.

3.10 Benefits to relatives of public officials, such as spouses, children, parents or siblings, may be treated by enforcement authorities as benefits to a government or public official and, accordingly, may constitute violations of anti-bribery laws. Accordingly, the Group treats relatives of public officials as public officials unless determined otherwise in advance by the Compliance Officer. Any gifts, entertainment or travel expenses involving a relative of a public official must comply with this Policy. Employees must also consult the Compliance Officer before entering into any contract or transaction with a close relative of a public official or a corporation or entity owned or controlled, directly or indirectly, by a close relative of a public official.

4. WHAT HAPPENS IF THERE IS BRIBERY/CORRUPTION?

- 4.1 A conviction for bribery can lead to up to 10 years in prison in the UK and in the other jurisdictions in which Capital and the Group operate, similar sentences might be imposed: up to 20 year in Mali, Malaysia and Laos; up to 15 years in Bermuda; up to 10 years in Mauritius, Kenya, Saudi Arabia, Botswana and Mauritania; up to 7 years in Egypt, Tanzania, Nigeria and Singapore; and up to 5 years in Burkina Faso.
- 4.2 For Capital and/or the Group it could mean an (unlimited) fine, loss of contracts and the right to tender for future contracts, confiscation of assets/property and significant reputational damage, which could ultimately jeopardise the entire Group and Employees' jobs. For an individual director of Capital and/or the Group, it could result in a director disqualification order being imposed against them up to 15 years.
- 4.3 Capital will regard breaches of this Policy as serious misconduct. Employees that violate any laws, governmental regulations, the Code of Conduct, or this Policy will face appropriate, case-specific disciplinary action, which may include demotion or, in appropriate circumstances, or upon shareholder approval, if applicable, immediate discharge or removal. In addition, violation of any laws, governmental regulations or this Policy could result in public disclosure of such violation including, without limitation, the names of parties involved which may lead to disciplinary action, up to and including termination of the employment or engagement of the Employee.
- 4.4 However, this Policy is not intended to discourage reasonable relationship-building expenses for any person, who is not a government or public official, so long as:
- a. it is consistent with normal business customs in the host and recipient's country;
 - b. it is provided in a transparent and open manner;
 - c. the cost is reasonable and, unless prior written approval has been received from the Compliance Officer, in line with the limits stated at clauses 6.6, 6.7 and 7.2 namely any hospitality given or received is to be below £150 (or equivalent in USD or any other currency) and any gift given or received is below £100 (or equivalent in USD or any other currency);
 - d. it is for a legitimate business reason; and
 - e. it does not create a sense of obligation on the part of the recipient.
- 4.5 Connected Third Parties that violate any laws, government regulations, Code of Conduct, or this Policy will face appropriate consequences in accordance with the terms of any agreement between Capital and/or the Group and the Connected Third Party and applicable law, which may include termination without compensation of any contract, damages (including,

cumulatively, but not limited to, special, general, consequential, economic, and reputational damages), and any other recourse available at law or equity.

5. EXIGENT CIRCUMSTANCES

- 5.1 Nothing in this Policy prohibits the making of payments in cash or in kind to government or public officials when life, safety, or health is at risk. Employees are permitted to make a payment to avoid subjecting himself or herself to a health or safety risk. The making of such a payment in exigent circumstances should be reported to the Compliance Officer as soon as possible after the payment is made. Such payments must be accurately recorded and identified in expense reports and other books and records.

6. CORPORATE HOSPITALITY AND EVENTS

Hospitality

- 6.1 Hospitality (also referred to as entertainment) covers (but is not limited to) invitations to lunch, dinner, sporting events, trips abroad, payment for hotel accommodation, flights and similar activities.
- 6.2 Corporate hospitality of a reasonable and proportionate nature will generally not contravene this Policy. However, hospitality can be used as a means of bribery when it is excessive and/or designed to improperly influence the recipient. Therefore, any hospitality must not be corruptly offered or provided as an inducement to or reward whatsoever.
- 6.3 To safeguard against allegations of bribery Capital has put in place guidelines of what hospitality will be deemed appropriate. Amounts in excess of £150 (or equivalent in USD or any other currency) per person will require written pre-approval as set out at paragraph 6.8 below, and the provision of any meal, entertainment or other business hospitality for a public office must be accurately accounted for and described in the Corporation's books and records.
- 6.4 Where hospitality given or received is in excess of £150 (or equivalent in USD or any other currency), it must be recorded in the Hospitality and Gift log.

Acceptance of Hospitality

- 6.5 Employees should not accept an offer of hospitality from any person if you feel that an attempt is being made to induce or influence your actions in the context of your job or otherwise in a way that makes you feel uncomfortable. If you consider this has happened, you should discuss this with the Compliance Officer as soon as possible.
- 6.6 Capital recognises, however, that subject to the below, the provision/receipt of hospitality is a normal part of doing business. For that reason, Capital permits hospitality received from third parties provided the hospitality is:
- a. less than £150 (or equivalent in USD or any other currency);

- b. not in cash or cash equivalent or in the form of a loan; and
- c. to establish or improve good business relations, promote Capital and/or the Group's business or image, or for some other bona fide business reasons; and
- d. reasonable and proportionate, i.e. not extravagant or lavish in the context of the occasion;
- e. in compliance with the local laws of the country in question where the hospitality is provided; and
- f. Not involving insalubrious premises or illegal substances or excessive consumption of alcohol.

Provision of Hospitality

6.7 Provision of corporate hospitality is only permitted if:

- a. in relation to marketing that is necessary, prudent and related to your job;
- b. it has a value of less than £150 (or equivalent in USD or any other currency);
- c. it is reasonable and proportionate, i.e. not extravagant or lavish in the context of the occasion;
- d. the frequency of the hospitality with the same guest, person or company is not excessive, as modest costs frequently incurred can amount to lavish payments;
- e. the person providing the corporate hospitality also attends;
- f. the person providing the corporate hospitality has obtained the necessary pre-written approval;
- g. the corporate hospitality is not, or could not be perceived as, a bribe, payoff or kickback (i.e. given in order to obtain or retain business or to secure an improper advantage or to induce particular behaviour or otherwise influence a decision); and
- h. the acceptance of the hospitality by the recipient would not, to the best of your knowledge, result in a contravention of applicable anti-corruption and anti-bribery laws, the recipient's applicable policies/codes of conduct or in a breach of this Policy.

Written Pre-Approval

6.8 The written pre-approval of the Compliance Officer must be obtained for any meal, entertainment or other normal business hospitality given or received that is in excess of £150 (or equivalent in USD or any other currency) per person, or such other threshold that the Compliance Officer may designate in writing from time to time for particular individuals,

departments or geographical regions. The provision of any hospitality to a public official is expressly prohibited by Capital without prior authorisation from the Compliance Officer.

- 6.9 In appropriate circumstances, Capital and/or the Group may pay reasonable travel and expenses, if there is a legitimate business need for them to do so. Such expenses may only be paid where permitted under local law and approved in writing in advance by the Compliance Officer. The expenses must be reasonable in amount and directly related to the business purpose. Capital and/or the Group will not pay or reimburse travel or other expenses which are predominantly for recreation or entertainment, or for anyone's spouse or other family members. Per diems or cash allowances must not be paid.

7. GIFTS

- 7.1 A gift is something given for which no payment is made - e.g. tickets to a football game, food, a branded item, wine, plane tickets and similar.
- 7.2 Employees should not give or receive gifts to or from government or public officials, customers, suppliers or other business partners save for in the following circumstances:
- a. the gift is under £100 in value (or equivalent in USD or any other currency);
 - b. the gift is a promotional material;
 - c. the item is of limited value, for example, annual dinner or party of which you many other firms will also be in attendance;
 - d. the item is reasonable and proportionate in the context of the business occasion;
 - e. the items have been spontaneously given;
 - f. the items have been given openly, not secretly;
 - g. the items have not been given during a time in which Capital or the Group and gift giver are not actively trying to secure work from each other;
 - h. the acceptance of the gift is permitted by the recipients organisation or employer; and/or
 - i. the provision of gifts is customary or cultural.
- 7.3 Gifts of cash, cash equivalents, stock or other negotiable instruments should never be provided or accepted under any circumstances.
- 7.4 Where a gift is above the limit of £100 (or equivalent in USD or any other currency), it should be reported the Compliance Officer and should be recorded in the Hospitality and Gift log. All gifts from and/or to government or public officials should be reported to the Compliance Officer who will keep a record of all such gifts.

7.5 If you are offered a gift and you feel compelled to accept it (i.e. for cultural reasons or to avoid causing offence), you may take the gift but must disclose it to the Compliance Officer as soon as possible.

8. DONATIONS OR SPONSORSHIP

8.1 Under no circumstances will the Group's assets (including money, property or other items of value) be contributed or otherwise made available to any political candidate, party or committee. No individual or firm should be engaged to carry out any lobbying activity or behalf of Capital without the prior approval of the Board of Capital.

8.2 Capital recognises the importance of contributing to the communities in which it operates, and may, from time to time, make charitable contributions with the prior written approval of the Compliance Officer. All charitable contributions by or on behalf of the Capital and/or the Group must be accounted for with supporting documentation, including a receipt or written acknowledgment of the donation from the recipient.

8.3 Employees must avoid charitable or other donations or sponsorship which might be used to disguise bribery or corrupt payments. If in doubt, please speak to the Compliance Officer. The Group and its Employees are prohibited from making contributions to any charity owned or controlled by a government official.

8.4 Employees may otherwise make personal contributions to charity with their own funds and on their own behalf, but no such contributions will be reimbursed by Capital and/or the Group. For the avoidance of doubt, no personal contribution is to be made or appear to be made on behalf of the Capital and/or the Group.

9. PREVENTION OF TAX EVASION AND FACILITATION OF TAX EVASION

9.1 Capital condemns tax evasion, whether it involves evading UK taxes or foreign taxes. All Employees are expressly prohibited from any conduct which involves or facilitates tax evasion by Capital and/or the Group. Capital also expressly prohibits its Employees and all those associated with Capital from facilitating tax evasion by any third party.

What is tax evasion?

9.2 Tax evasion means the offence of cheating the public revenue or fraudulently evading tax, and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action or omission with dishonest intent.

9.3 Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

What is facilitation of tax evasion?

- 9.4 Under the CMA 2017, two criminal offences have been introduced which widen Capital's and the Group's obligations as follows.
- 9.5 Tax evasion facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence where it is done deliberately and dishonestly.
- 9.6 A separate criminal offence is automatically committed by a corporate entity or partnership where the tax evasion is facilitated by a person acting in the capacity of an "associated person" to that body. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly or negligently facilitates the tax evasion, then the corporate offence is not committed.
- 9.7 Capital or the Group do not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the associated person has done so creates the liability for it.
- 9.8 A company will be criminally liable to a conviction and fine under these offences if a person associated with it helps a third party evade UK or overseas tax unless it can show it had put in place reasonable prevention procedures. It is a criminal offence punishable by imprisonment in the UK and an unlimited fine, which applies to individuals and companies. It can also result in exclusion from tendering for public contracts and damage to reputation.
- 9.9 Examples of circumstances where tax evasion facilitation might arise include third parties requesting payment in cash, invoices being submitted for a different sum to what it is paid, invoices submitted by a different company to the third parties engaged, or payments requested to be made into an offshore account. In this regard you should note the red flags set out in the Code of Conduct.

What you must and must not do

- 9.10 Employees must not engage in in any form of facilitating tax evasion or foreign tax evasion. Furthermore, Employees must not aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person.
- 9.11 All Employees must promptly report any suspicions of tax evasion to Compliance Officer. If you have any concerns about whether an act may be tax evasion, you must speak to the Compliance Officer.
- 9.12 Employees must not engage in any other activity that might lead to a breach of this Policy, and Capital will not allow any Employee to threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this Policy.



10. CONNECTED THIRD PARTIES

- 10.1 Capital recognises that the actions of Connected Third Parties including partners, agents, contractors, consultants, suppliers, intermediaries and other contractual counterparties, who are hired or otherwise retained by Capital and/or the Group to provide services could pose a special bribery risk to Capital and/or the Group. This is because such Connected Third Parties are not under the direct control of Capital and/or the Group and yet their conduct or the conduct of their employees may be attributed to Capital and/or the Group where they act on Capital's and/or the Group's behalf.
- 10.2 This Policy must be communicated to all Connected Third Parties at the outset of any business relationship with them and as appropriate thereafter.

Due Diligence and Monitoring of Connected Third Parties

- 10.3 Prior to entering into a business relationship with a Connected Third Party, Employees should report the potential engagement in writing to the Compliance Officer. The Compliance Officer will direct due diligence on the Connected Third Party that addresses the qualifications of the Connected Third Party, the services the Connected Third Party will provide, the compensation Capital and/or the Group will provide, the basis for believing that compensation is reasonable and information, as appropriate, regarding the Connected Third Party's character, reputation and history of conducting business in an ethical and legal manner that is consistent with this Policy. The process and extent of due diligence to be performed depends on the circumstances and will be determined by the Compliance Officer. After completing due diligence as appropriate, a written summary of the due diligence findings should be recorded by the relevant Employee. At a minimum, documentation obtained through due diligence must be preserved by the relevant Employee.
- 10.4 In all cases, Employees should use best efforts to ensure that any Connected Third Party:
- a. is not a government or public official;
 - b. does not have a history or demonstrated tendency toward bribery, corruption or tax evasion;
 - c. performs the required services in compliance with this Policy and applicable international and local laws; and
 - d. is compensated at a level that is reasonable, given their experience, the country where the services are to be performed, the expected results and the amount and difficulty of the work to be performed.
- 10.5 The Group will apply the following principles in any dealings with Connected Third Parties:
- a. appropriate due diligence should be completed before the Connected Third Party is engaged;

- b. the engagement must be clear and transparent with a clear commercial rationale and justification for dealing with that company/person;
- c. Employees should be wary about engaging a Connected Third Party that has been specifically requested or recommended by a counterparty to a contract or any licensing or regulatory body;
- d. Employees should ensure that all arrangements with Connected Third Parties are well documented and approved by senior management; and
- e. all contracts with Connected Third Parties include an obligation not to pay and/or receive bribes and to ensure their subcontractors also do not pay and/or receive bribes.

Contracts with Connected Third Parties

10.6 All agreements with Connected Third Parties will be in writing, and will define the scope of the relationship and the compensation terms. Unless otherwise approved by the Compliance Officer, all contractual arrangements with Connected Third Parties shall include anti-corruption terms to the following effect:

- a. the Connected Third Party will at all times abide by all applicable anti-corruption laws and this Policy (or at the discretion of the Compliance Officer, the Connected Third Party's own anti-bribery policy);
- b. the Connected Third Party shall promptly notify Capital and/or the Group of any investigation relating to a possible violation of anti-corruption legislation or this Policy;
- c. neither the Connected Third Party or any of its employees, subcontractors or material shareholders are a public official;
- d. in the conduct of its business, the Connected Third Party has not and will not, directly or indirectly, engage in bribery or corruption;
- e. The Connected Third Party will perform the services required under the written agreement personally, and may not assign the right to perform to anyone else without prior written consent;
- f. the Connected Third Party's invoices shall describe in reasonable detail all services and expenditures for which the Connected Third Party seeks reimbursement;
- g. Capital and/or the Group have the right to audit the Connected Third Party's relevant books and records when a reasonable question has been raised as to whether there has been a violation of applicable anti-corruption laws; and
- h. Capital and/or the Group may terminate their agreement with the Connected Third Party without any further obligation in the event that the Connected Third Party, its

principals, or anyone acting on its behalf takes any action that violates applicable anti-corruption laws.

Payments to Connected Third Parties

- 10.7 No payment is to be made to a Connected Third Party without a valid invoice, statement or other document evidencing that the services invoices for were in fact provided. All payments regardless of their size are processed at the Head Office through a centralised payment verification system and are reviewed and approved by the Treasury department.
- 10.8 As far as possible any payments made to Connected Third Parties by way of fees or commission should be comparable to prevailing market rates for similar services in the country in which the Connected Third Party is engaged.

11. PRIVATE TENDERS

- 11.1 Employees must not engage in any form of bribery as an inducement or a reward in connection with the withdrawal, submission and/or consideration of any tender which Capital and/or the Group participate in. Where a supplier or contractor is engaged by way of private tender, Employees must ensure that:
- a. the party engaged is not a government official and/or connected with a government official;
 - b. the terms of engagement, including compensation, are clearly defined, documented and include full, accurate and clear specifications in compliance with international or specified local standards and that the company has the technical expertise to provide the products and/or services;
 - c. appropriate due diligence is carried out prior to engagement; and
 - d. they comply with relevant laws and regulations including applicable anti-corruption laws and agree to abide by this Policy.

12. REPORTING PROCESS

- 12.1 Capital expects its Employees and Connected Third Parties to take all reasonable steps to prevent a violation of this Policy. This includes identifying and raising potential issues before they lead to problems, and seeking additional guidance when necessary. If you are ever in doubt about whether any action or proposed action complies with this Policy, please speak to the Compliance Officer before the conduct occurs.
- 12.2 If you become aware of or suspect any breach of this Policy by Employees, Connected Third Parties, or by others associated with the Group, you must immediately notify the Compliance Officer, who can be contacted as follows, or report it in accordance with Capital's Whistleblowing Policy:
- a. E-mail: ethics@capdrill.com

- b. Web portal:
<https://capitaldrillingltd.sharepoint.com/sites/InformationTechnology/SitePages/Report-an-Ethical-Concern.aspx>

12.3 Capital is committed to ensuring that it has an atmosphere of open communication for compliance issues and to ensure that Employees and Connected Third Parties are acting in good faith have the means to report actual or potential violations without fear of retaliation. All reports will be treated confidentially to every extent possible, consistent with the need to conduct an adequate investigation. All complaints, results of investigations, if any, and reports will be retained for seven years.

12.4 Capital will not allow any harassment, retaliation or any type of discrimination against a director, officer or employee who acts in good faith in reporting a violation.

12.5 This section is to be read together with the Code of Conduct and the Whistleblowing Policy.

13. PRESERVATION OF DOCUMENTS

13.1 Employees and Connected Third Parties must not at any time destroy any material that might be of use to an investigation of a breach of this Policy or make any disclosure to any person that might be prejudicial to any investigation.

14. COMMUNICATION AND TRAINING

14.1 Capital or the Group will provide a copy of the current version of this Policy and related policies to all new joiners during their induction.

14.2 Compulsory annual training will be held for all Employees, conducted by the Compliance Officer, on this Policy.

14.3 This Policy is published on Capital's website at: <https://www.capdrill.com/corporate-governance>. This Policy is also published on Capital Limited's SharePoint.

15. PERIODIC REVIEW OF THIS POLICY

15.1 The Compliance Officer and Audit and Risk Committee have overall responsibility for the effective operation of this Policy, and for reviewing the effectiveness of actions taken in response to concerns raised under this Policy. The Compliance Officer will monitor compliance with this Policy on an annual basis and consider suggestions for improvements to be made.

16. RECORD RETENTION

16.1 Capital will maintain books and records that are full, fair and accurate and understandable to reflect all transactions, use and disposition of assets, and other similar information. All Employees must ensure that:

- a. all gifts, hospitality and other expenses are properly reported and recorded;



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- b. any payment made on behalf of Capital and/or the Group is supported by appropriate documentation;
- c. no payments to Employees or Connected Third Parties are made in cash, unless authorised by the Compliance Officer or the Audit and Risk Committee; and
- d. no Employees or Connected Third Parties shall create or help create any documents for the purpose of concealing any improper activity.

16.2 In reviewing and approving expenses, or in the review of any books and records, any question which may arise in connection with this Policy shall be brought to the attention of the Compliance Officer.