

MEREO BIOPHARMA GROUP PLC

**ANTI-BRIBERY AND
ANTI-CORRUPTION POLICY**

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1. OUR COMMITMENT TO ETHICAL BUSINESS

Mereo BioPharma Group plc (the “**Company**”) together with its subsidiaries (the “**Group**”) is committed to ethical business. The Group’s policy is never to offer, pay, request, solicit or receive bribes, or to facilitate, assist in or abet any offer or payment of bribes and to refuse any request to pay them.

Section 4 of this policy sets out an explanation of what can constitute a bribe.

Bribery may expose the Group to criminal or regulatory investigations that may result in prosecution, fines and costs to our business. Bribery may also expose the Group to legal action from competitors or third parties. Individuals engaged in corrupt behaviour are likely to face criminal prosecution personally.

The Group will not tolerate any form of bribery or corruption and therefore the Group:

- is committed to ensuring that bribery and corruption does not occur; and
- will investigate and deal with all the reported cases of bribery and corruption in accordance with this policy.

This commitment is shared by the board of directors and senior management of the Company. Any individual who reports or raises genuine concerns or suspicions of any nature regarding corruption by a colleague, business partner or third party will have the full support of the Company’s board of directors and management team.

When you take any business decision, you should consider whether that decision complies with this policy, with legal standards, and whether you would be happy if your decision became public knowledge.

You will not face any adverse or negative consequences for complying with this policy. Failure to comply with this policy may however result in disciplinary action, including dismissal and may also result in civil proceedings and/or criminal prosecution and sanctions (including custodian sentencing) against you personally and your supervisor or manager, to the extent there was a lack of leadership, supervision or diligence.

2. SCOPE

This document sets out the Group’s policy for preventing bribery and corruption, in line with all applicable anti-bribery and anti-corruption laws.

This policy aims to:

- outline principles for conducting business with integrity and in accordance with the highest ethical standards;
- provide guidance on the types of behaviour that may give rise to violations of anti- bribery and anti-corruption laws;
- ensure that the financial and other resources of the Group are used solely for their proper purposes; and
- promote a culture of honesty and openness among the Group’s staff.

This policy applies to the Group and all of its directors, officers and employees at all times. This policy applies wherever the Group does business.

This policy may on a case-by-case basis be applied to joint ventures in which the Group participates and any other persons acting on behalf of the Group (including contractors, sub- contractors and agents).

Where appropriate, any such persons acting on behalf of the Group will be made aware of this policy and

will be encouraged or required (as specified in the arrangements between the Group and such joint venture, contractor, sub-contractor or agent) to maintain equivalent standards.

This policy has been developed in line with international standards of best practice including those of the United Kingdom and the United States. All companies within the Group must comply with this policy. All companies within the Group must also comply with any additional specific internal policies that exist. Such individual company policies must be in compliance with this policy and contain procedures no less stringent than those set out herein.

3. OUR ANTI-BRIBERY AND ANTI-CORRUPTION PROCEDURES

The Group's commitment to the prohibition of bribery and corruption necessitates the development and maintenance of procedures to minimise bribery risks.

These procedures will be formulated by periodically assessing the specific bribery risks faced by the Group.

High-risk situations may demand additional procedures such as enhanced due diligence, which could involve conducting direct enquiries, indirect investigations, or general research on proposed business partners such as agents, joint venture partners, contractors, suppliers and other third parties. Where the Group believes that the degree of bribery risk is too high or cannot be mitigated effectively, the Group will not participate in the relevant transaction or arrangement.

Regardless of the magnitude of the potential bribery risk, general procedures followed by the Group to mitigate any risk whatsoever of bribery or corruption include:

- the involvement of the Group's top-level management, in particular in key decision-making and in overall responsibility for anti-bribery and anti-corruption procedures;
- risk assessment;
- the communication of this policy to relevant staff;
- training of the Group's officers;
- transparency of transactions and disclosure of information;
- due diligence of existing and prospective intermediaries and associated persons;
- financial and commercial controls such as adequate book-keeping, auditing and approval of expenditure;
- decision making, such as delegation of authority procedures, separation of functions and the avoidance of conflicts of interest;
- mechanisms for the reporting of bribery;
- enforcement, detailing discipline processes and sanctions for breaches of the Group's anti-bribery and anti-corruption rules;
- the consistent monitoring, review and evaluation of bribery prevention procedures; and
- the Group will report any knowledge or suspicion of bribery or corruption to the relevant law enforcement authorities.

4. PROHIBITED BEHAVIOUR

4.1 *What conduct is prohibited?*

This policy prohibits:

- the offer, promise or payment of bribes (directly or indirectly) or assisting in, abetting or facilitating any such conduct (“**active bribery**”); and
- the request, solicitation, agreement to accept or receipt of bribes (directly or indirectly) (“**passive bribery**”).

4.2 *Active Bribery*

You must never offer, promise, or pay bribes, including “facilitation payments”, other improper payments or advantages to any person, including (but not limited to) employees, agents or officers of customers, suppliers, joint venture partners, labour unions, government or public officials or public servants (of any jurisdiction) political parties or candidates for political office. This can include, for example, the offer of gifts, donations, rewards, advantages, hospitality or entertainment of any kind. You must also never facilitate, mediate in, assist in or abet any such conduct. The use of intermediaries for payment of bribes is expressly prohibited.

4.3 *Passive Bribery*

Employees of the Group are prohibited from requesting, soliciting, agreeing to receive or receiving a bribe from any person. This prohibition applies whether the bribe is accepted for the employees’ own account or on behalf of another person.

For example, it is a breach of this policy to promise to or to direct business to a supplier in return for any benefit, whether gifts, hospitality (such as attendance at sporting or cultural events or other recreational activities) or any other benefit.

A breach of this policy will arise where a bribe is requested or solicited; there is no need for a bribe to actually be paid. The prohibition also applies where an employee of the Group offers or pays a bribe to another person, whether or not any benefit is received in return.

4.4 *What is a bribe?*

(a) Any “*advantage*”

A “bribe” is defined broadly and may include any financial or other advantage, including the provision of a service or anything of value, kickbacks or other inducements.

A bribe may include financial payments, whether in cash or cash equivalents (such as gift certificates), or non-cash benefits in kind such as gifts, services, loans, travel, meals, lodging valuable security, property or any interest in property of any description, protection from penalties, the release from any obligation and entertainment. A bribe may also include the provision of anything of value for inadequate consideration.

The offer of an opportunity to a person or a friend/relative of a person may also be a bribe (for example, offering a job or work experience to a business partner’s relative). You should always consider the value of anything that may be offered in the hands of the recipient.

A political or charitable contribution may also amount to a bribe if the contribution:

- provides an indirect benefit (financial or otherwise) to a person who has requested or suggested it;
- is provided to elected officials or individual members of political parties or organisations; or
- is effectively a disguised bribe.

(b) *Intended to induce improper conduct or to influence a public official*

The provision of an advantage will be a bribe where there is an intent to induce improper conduct by the recipient or another person, or to influence a public official (improperly or otherwise) in the performance of his/her official duties.

This could be both to take particular action or to refrain from taking particular action. This policy does not prohibit the provision or receipt of advantages (such as hospitality) which are provided/received transparently and which are not, and could not be interpreted to be, intended to result in an unlawful *quid pro quo* such as the awarding of a specific contract.

Bona fide corporate hospitality and other associated expenditure that seeks to improve our image, better to present our services or establish cordial business relations is an important and legitimate part of doing business.

You must, however, consider any local laws that are applicable to the proposed hospitality. Please note, that in certain jurisdictions, public officials, officials of state-owned organisations, as well as their family members and relatives, may be subject to certain more stringent restrictions, and as such, may be prohibited from accepting any benefits even if the benefits are not intended to influence or induce improper conduct or to influence the official in relation to the performance of official duties. For instance, public officials may be prohibited from accepting benefits irrespective of the nature and circumstances of the benefit offered merely because of their position. In other words, they may be prohibited from accepting any benefit or advantage because of their official position, even where there is no corrupt intent.

For the purposes of this policy, “public officials” include those in legislative, administrative, or judicial positions, public servants of any kind or any persons that exercise public functions on behalf of any country, territory, municipality, or for any public agency or public enterprise, any person that exercises any function on behalf of any state-owned organisation or public international organisation. Please consult with your supervisor or the Company’s General Counsel if you have any question as to whether a person qualifies as a public official.

The provision of an advantage is likely to be a bribe if:

- it is illegal under any relevant bribery or corruption laws;
- it creates an obligation or perception of obligation for either party;
- it is intended to induce a person to act or refrain from acting in order to provide a benefit to the person providing the advantage, or that person’s organisation;
- it is made to a public official or public servant to influence the official or servant in relation to his/her official functions or to expedite the performance of official duties;
- it cannot be transacted transparently;
- it is unreasonable in terms of value and/or frequency; and/or
- exposure of the advantage is likely to cause embarrassment to the individual concerned or to any company or associate of the Group.

In addition, you must never:

- engage in financial misconduct, including criminal acts such as theft of cash and false accounting, money laundering or the misappropriation of funds;
- privately use or offer to others access to or use of the Group's resources, including assets, funds or intellectual property, without advance authorisation from the General Counsel;
- attempt to induce an individual employee of a commercial organisation, state-owned organisation or any local or foreign government official to do something illegal;
- offer or make, whether directly or indirectly, through any agent or intermediary, an unauthorised payment, or authorise an improper payment (cash or otherwise) to a local or foreign official, official of a state-owned organisation, officer or manager, any related person or entity or to any manager, officer or employee of a commercial or other organisation;
- offer or provide any unauthorised benefit (property or otherwise) to an employee of any Group competitor, supplier or customer which may result in an unfair competitive advantage and contravention of applicable competition regulations, such as any benefit which may lead to an improper advantage for the Group over its competitors;
- use any connections you may have with government bodies or government officials to procure a competitive advantage in relation to the Group's affairs;
- turn a blind eye or fail to report any indication of a bribe or any improper payments or favours in accordance with this policy, or any circumstances where there are any grounds to suspect such conduct;
- make undocumented payments, gifts or other expenses or make false or misleading entries in the Company's books and accounts;
- engage in any behaviour, including making any fraudulent misrepresentation, to induce a party to obtain a financial or other benefit or to avoid an obligation;
- engage in any illegal acts, including those resulting in personal injury or damage to property, in order to obtain a financial or other benefit or to avoid an obligation;
- collude in improper procurement or contracting activities;
- do anything to encourage or facilitate the breach of this policy by another person; or
- attempt to suppress or conceal any of the above.

It is not a defence to bribery to show that the giving of a bribe is customary in any local trade, vocation, profession or calling.

4.5 Facilitation Payments

You must not make facilitation payments. Facilitation payments are payments, large or small, made to government officials to secure or expedite routine or necessary official action, either more promptly or at all (e.g. customs clearance). For the avoidance of doubt, facilitation payments do not include legitimate documented fees paid to government entities which are required under relevant law, rules or regulation, such as permit application fees paid to a licensing department.

Where you are requested by a government official to make a payment that you suspect may be a facilitation payment, you should not make the payment unless you can be satisfied that the payment is required by formal regulations. If in doubt, please consult the General Counsel at the earliest possible opportunity.

Where you feel forced to make a payment on the basis that your safety, security or liberty may be threatened, you may make the payment but should report the matter to the General Counsel as soon as possible who will decide on the appropriate action to be taken.

5. CORPORATE HOSPITALITY AND EVENTS

Corporate hospitality and events offered to clients, suppliers and business partners form part of the genuine commercial activities of the Group.

5.1 *Provision of Hospitality*

Corporate hospitality of a proportionate nature will generally not contravene this policy. Hospitality can, however, be used as a means of bribery when it is excessive and/or designed to improperly influence the recipient.

Any hospitality offered or provided must not be intended to influence the recipient or any other person to act in an improper way or to influence a public official (improperly or otherwise) in the performance of official duties.

5.2 *Acceptance of Hospitality*

Similarly, you should not accept an offer of hospitality from any person if you feel that an attempt is being made to influence you in an improper way or in a way that makes you feel uncomfortable.

If there is any suggestion that you will be expected to show favour in return for the hospitality, or that it is hoped that you will show such favour, you must not accept the hospitality and report the matter immediately to the General Counsel.

5.3 *Hospitality - Guiding Principles*

Inviting business partners or potential business partners to attend unduly lavish events or attending such events at the invitation of business partners without an underlying business purpose is not consistent with the Group's commitment to conducting business with integrity.

Corporate hospitality is only permissible under this policy if:

- it is reasonable and proportionate given its purpose;
- the person providing the corporate hospitality also attends;
- there is a genuine underlying business purpose, such as the development of general business relationships or the promotion of the Group's products;
- the provision or acceptance of hospitality would not, to the best of your knowledge, result in a contravention of either of the participating company's applicable policies / codes of conduct or in a breach of this policy;
- the provision or acceptance of hospitality would not result in a contravention of applicable anti- corruption and anti-bribery laws; and
- there is no question that the corporate hospitality could possibly influence the commercial decisions of the Group or the employees or business partners of the participating company.

Hospitality should generally be provided or accepted only where there will be an opportunity to discuss

business matters. Any authorized hospitality should be given in the Group's name and properly accounted for on expense reports.

Hospitality should not normally be provided to the spouses/relatives of the Group's business contacts. If you wish to provide hospitality to a spouse/relative of a contact, you must obtain prior approval from the General Counsel.

The provision of hospitality should not involve the Group paying for or reimbursing an attendee for air transportation or costly accommodation.

Similarly, you should not accept offers of this type of hospitality, since it could give rise to the appearance that your judgement may be compromised (even if you believe that your judgement would not be compromised).

You should always have regard to the value of hospitality with reference to reasonable value in the country concerned.

5.4 Business Trips, Accommodation, Travel Expenses

Where there is need for a customer or supplier to visit the Group to discuss specific business matters, such as attendance at a project meeting or workshop, this policy does not prevent the Group from reimbursing the attendee for the attendee's reasonable travel, accommodation and subsistence expenses.

In such situations, the Group should reimburse the attendee's employer (i.e. the supplier or the customer) in a fully documented, transparent manner, rather than the attendee personally.

5.5 Hospitality - Higher Risk Circumstances

The provision of hospitality at sensitive times poses particular risk for bribery purposes and an even higher standard of care than normal should be applied in such circumstances.

When providing hospitality, you should consider whether there are current or prospective projects or matters in progress or pending with the recipient's organisation.

Examples of a sensitive time for the provision of hospitality would include:

- whilst negotiations for a new contract or for the renewal of an existing contract with the recipient's organisation are ongoing;
- whilst a Request for Proposal or Tender ("**RFP**") process is underway or known to be in contemplation in respect of the relevant customer; or
- in relation to a public official, whilst a regulatory or licensing application or other regulatory matter is pending (for example, competition/anti-trust clearance in respect of a particular matter or a licence to carry out activities in a particular jurisdiction).

The provision of hospitality to public officials, officials of wholly or partially owned state organisations or associated persons (such as their relatives or family members) represents a higher risk. In some jurisdictions, the provision of any hospitality (irrespective of costs or purposes) to public officials or associates may contravene local laws or regulations.

If you wish to provide hospitality in higher risk circumstances, you must obtain the prior approval of the General Counsel.

6. GIFTS

You should not give or receive gifts to or from suppliers and other business partners. An exception to this rule is that the Group's employees may give or receive promotional materials or items of limited value.

Such promotional materials may be given or accepted where the items:

- do not exceed GBP£50 in value per calendar year and per business partner;
- have been spontaneously given;
- the acceptance of the gift is permitted by the recipient's employer; and
- there is no question that the gift could possibly influence the decisions of the Group or the employees or business partners of the company whose employee or business partner is receiving the gift.

Other types of gifts should not be provided or received unless you receive the express consent of the General Counsel.

Inappropriate gifts are those that:

- are excessive considering the relevant facts and circumstances;
- violate local law or customary business practices;
- include cash or cash equivalent (such as gift certificates or vouchers);
- are given (or received) secretly, not openly;
- are neither reasonable nor appropriate to the circumstances and to the occasion; and
- create an appearance of bad faith or impropriety and could reasonably be misunderstood as a bribe or gratuity.

Gifts pose a higher risk than hospitality on the basis that the lasting value of a gift to the recipient is likely to be greater than in the case of hospitality of an equivalent value. Additionally, gifts are less likely to have a legitimate business purpose.

Gifts of cash or cash equivalents (such as cheques, gift cards or gift certificates) should never be offered, provided or accepted under any circumstances.

Any authorized provision of gifts should be in the Group's name and properly accounted for on expense reports.

If you are offered a gift and you feel compelled to accept it, for example because rejecting it would offend the person offering it to you, you may take the gift and disclose it to the General Counsel as soon as possible who will advise on action to be taken.

Gifts must not be offered or provided to individuals who are employed by or represent public authorities, officials of wholly or partially state-owned organisations, or such persons' family members or relatives.

7. POLITICAL AND CHARITABLE DONATIONS

Political and charitable donations are not generally prohibited; however, the Group has in place appropriate and proportionate procedures to mitigate the risk of bribery or anti- corrupt practices. These include:

- all charitable donations of any kind must be approved by the General Counsel (this does not prevent you from making your own charitable donations without approval provided the donation is being made in your own name with your own funds and is not expressly or impliedly given on behalf of the Group);
- all political donations of any kind to be authorised by the board of directors of the Company;

In certain jurisdictions, the law prohibits or restricts the provision of political or charitable contributions. For example, in certain countries, political parties may be prohibited from accepting donations from entities that are wholly or partially under foreign ownership.

Any political donations made by or on behalf of the Group may be publicly disclosed by the Group.

8. USE OF PARTNERS AND OTHER THIRD PARTIES

Anti-bribery laws prohibit improper benefits, whether given directly or indirectly. This means that the Company may incur liability where a business partner or third party engaged to represent or provide a service to, or on behalf of, the Company makes an improper payment or otherwise engages in improper conduct in the course of its work for the Company. This exposure may arise notwithstanding that the payment or conduct in question is prohibited by the Company and/or that the Company had no knowledge of this payment.

Prior to the Group entering into a commercial relationship with any business partner or third party it is important that sufficient due diligence is carried out to ensure that the manner in which they carry out their business is consistent with the Group's commitment to conduct business ethically, with integrity and in line with applicable anti-bribery and anti-corruption laws.

The nature of due diligence and monitoring will vary depending on the nature of the relationship and the other party that you are dealing with (for example, whether the party is a legal entity or an individual).

Parties on whom due diligence should be carried out include intermediaries or other third parties that act on the Group's behalf. We also carry out due diligence on our customers, if any, in accordance with anti-money laundering regulations.

Due diligence should be carried out prior to entering into a relationship with the party or carrying out a transaction.

The nature and level of due diligence carried out on a particular party will vary depending on the nature of the relationship and the relevant party. Further information on due diligence procedures is contained in section 9 below.

Intermediaries should be retained only on the basis of substantive services that they will provide and there must be a written agreement in place with the intermediary which documents the services to be provided, and the remuneration paid to an intermediary must be in accordance with the market value of the services. Where we retain a third party to act on the Group's behalf, the General Counsel is responsible for ensuring that anti-bribery and anti-corruption matters are appropriately addressed in contractual documentation. This may include contractual provisions relating to compliance by the other party with anti-bribery and anti-corruption laws, disclosure obligations where unlawful conduct is detected, and rights for the Group to monitor activities or inspect books and records, or requirements that staff of the other party undergo anti-bribery and anti-corruption training. The contractual provisions that apply in a particular case will be determined using a risk-based approach and depending on the nature of the services performed by the other party. You must notify the General Counsel as and when new information becomes known, such as a change of parties or a change of material terms potentially relevant to the provisions of this policy.

All payments to intermediaries must be paid to a bank account in the name of the intermediary in the

country where the intermediary has its principal place of business or performs substantial services for the Group, and must comply with all applicable policies of the Group. In particular, you should not agree to make payments to a party other than the intermediary itself and should not agree to requests of an intermediary to make a payment to an offshore bank account. For example, where the registered intermediary is a company, you must not make payments to individual employees or officers of the intermediary.

Once established, a relationship with a partner, sub-contractor or third party should be actively monitored in order to ensure that the partner is complying with the law and its contracted obligations. The monitoring measures that need to be taken will vary depending on the nature of the relationship and the partner.

9. DUE DILIGENCE AND MONITORING MEASURES FOR PARTNERS AND THIRD PARTIES

9.1 *When should you carry out due diligence?*

Due diligence measures should be applied before:

- Hiring, engaging or entering into a transaction with an agent, sub-contractor or other intermediary / third party;
- entering into a partnership or joint venture; or
- acquiring a company or substantial stake (10% or more) in a company.

Due diligence measures should be applied using a risk-based approach in consultation with the General Counsel.

The General Counsel must consider:

- whether due diligence measures are necessary;
- the nature and extent of due diligence required; and
- the legal requirements to be complied with by the agent/partner and the contractual provisions required in the relevant agency, joint venture or acquisition agreement.

Where due diligence is required, it must be completed prior to:

- the signing of contracts with an agent, sub-contractor or joint venture partner;
- any work being carried out by an agent, sub-contractor or intermediary;
- engagement in any activities whatsoever by a partnership/joint venture arrangement; and
- the completion of an acquisition.

9.2 *What Due Diligence Measures should be applied?*

The type of due diligence measures required will vary depending on the nature of the relationship and partner or other third party. This policy does not aim to set prescriptive detailed requirements for each and every type of partner or other third party the Group deals with.

The precise due diligence measures to be applied must, however, be agreed with the General Counsel.

There is therefore flexibility for the precise measures to be determined on a case-by-case basis having regard to the nature of the counterparty / third party, the relationship, and the transaction.

At a minimum, standard due diligence should normally require the Group to obtain information regarding:

- the commercial justification of the proposed relationship or acquisition (in many cases, this may be self-evident);
- the existence, legal structure and form of the relevant party;
- the identity of the party's shareholders (at a minimum, all individuals and entities that ultimately own or control, directly or indirectly, 25% or more of the party);
- the identity of the directors of the other party;
- the connection of the relevant party with government bodies or government officials;
- the level of proposed remuneration - the Group should be satisfied that this is commercially justifiable; and
- the nature of any anti-bribery and anti-corruption compliance procedures that the other party has in place.

Depending on the circumstances, you should consider screening the other party against applicable sanctions or law enforcement agency lists:

- [Sanctions Programs and Country Information](#)
- [Specially Designated Nationals and Blocked Persons List \(SDN\)](#)

In higher risk situations, it may be appropriate to take additional measures, such as:

- interviewing relevant personnel of a counterparty or target company to establish further the compliance environment in which the party operates;
- commissioning third party risk or integrity due diligence reports on the target /counterparty to establish reputation, ownership structure, history etc; and/or
- speaking to other players in the local market to establish further the reputation of the counterparty.

9.3 Records

Records of the due diligence measures applied must be retained for an appropriate period following the acquisition or termination of the agency/partnership/business relationship.

Ensuring that adequate records are made is the responsibility of the relevant business unit in coordination with the General Counsel.

The General Counsel is responsible for the retention of the records for the relevant period.

9.4 Contractual Obligations

The General Counsel is responsible for ensuring that anti-bribery and anti-corruption matters are appropriately addressed in contractual agreements with counterparties.

The contractual provisions that apply in a particular case will be determined with regard to the nature of the other party, the risks that the party poses, and the nature of the transaction. In many cases, our counterparties already comply with high ethical standards so that imposition of the Group's own procedures, for example, may be neither necessary nor appropriate. In other situations, where we are dealing with intermediaries that are individuals, for example, we may need to impose our own standards.

The contractual provisions may include:

- obligations on the other party to comply with applicable anti-bribery and anti-corruption laws;
- obligations on the other party to comply with this policy;
- representations that the other party has not and will not engage in unlawful conduct;
- disclosure obligations where relevant unlawful conduct is detected;
- rights for the Group to explain and discuss the contents of this policy to such third party, monitor activities and inspect books and records;
- requirements for relevant intermediaries or staff of the counterparty to undergo anti-corruption training;
- rights for the Group employees to be present at all meetings held on behalf of a joint venture, particularly where those meetings may constitute higher risk interactions such as meetings in a sales context or meetings with public officials; and
- legal remedies available to the Group in case of breach of any of the obligations, representations and/or requirements set out above.

9.5 Monitoring

Once established, a relationship with a partner, sub-contractor or third party should be actively monitored in order to ensure that the partner is complying with the law and its contracted obligations.

The monitoring measures that need to be taken will inevitably vary depending on the nature of the relationship and the partner. This policy does not aim to set prescriptive standards of monitoring that should be applied to each particular relationship or type of relationship. As in the case of due diligence, there should be flexibility for the monitoring measures applied to take into account the risks posed by a particular relationship or partner. The measures to be taken in each particular case should be determined by the relevant business unit in conjunction with the General Counsel.

Monitoring measures may however include:

- scrutiny of payments made to sub-contractors, agents and other third parties;
- scrutiny of payments made by agents that we use;
- requiring annual certification by partners of compliance with anti-bribery and anti-corruption laws (for higher risk partners / third parties);
- attendance by the Group's representative(s) at meetings deemed to be "high risk" from a compliance perspective; and
- regular or occasional meetings with partners and review of recent new business arrangements and associated sales processes.

10. RED FLAG SITUATIONS

History and experience have demonstrated that certain factors or situations raise "red flags", which indicate a heightened potential for anti-bribery/anti-corruption violations.

Red flags indicate issues of concern that require further consideration but in themselves may not be sufficient to find any grounds for knowledge or suspicion of wrongful activities.

Unusual payment requests received or made by the Group, its agents or intermediaries are one indicator of issues of concern. Further examples of “red flags” are set out below.

The following list does not contain all possible red flags or unusual circumstances that may indicate a problem, but these items, among others, should be investigated and reported, as outlined below:

- any payment that is not made against invoice and supported by documentary evidence that goods or services were, in fact, provided;
- commissions paid to intermediaries or partners substantially in excess of the going rate;
- requests for commission payments to intermediaries in cash, to or through a third party, or to jurisdictions other than the country where services, and the underlying contract, are performed or where the intermediary has its principal place of business (especially to a bank secrecy jurisdiction, such as Cyprus, the Cayman and British Virgin Islands);

the reputation of a country or a government official for corruption. While generally this is not sufficient by itself to warrant the requisite knowledge of a bribe payment, it does suggest the advisability of enhanced due diligence procedures. Transparency International publishes annually a [Corruption Perceptions Index](#);

- reports of improper payments or other unethical business practices by an intermediary or agent;
- a request by an intermediary for an unusual or substantial commission, up front payment or success bonus, or unusual discounts for distributors;
- an invoiced amount from an intermediary that exceeds the agreed upon amount or reflects undocumented expenses or expenses of an unreasonable amount or kind;
- requests by foreign government decision makers to use the services of a specific intermediary;
- use of more than one intermediary on a particular contract where aggregate commissions exceed the going rate (or legal ceiling) in the country and an economic rationale for the use of a second intermediary is inadequate, illusory or absent;
- the intermediary is a foreign official or a person employed by a foreign government agency or instrumentality who works for the intermediary;
- the intermediary is an active or retired government official or related to a government official, or such third party company is owned in whole or in part by a government official or relative of a government official;
- the intermediary or a partner or a director, shareholder or employee of the intermediary partner’s firm has a personal, family or business relationship with a foreign official;
- apparent lack of qualifications, track-record or resources on the part of the intermediary or partner to perform the services offered;
- the intermediary requests or is concerned that the relationship with the Group be kept anonymous or confidential;
- there are suspicions about the reputation of an intermediary or partner because there are rumours of “connections”, and he or she is less than forthcoming with information regarding these matters;

- the intermediary refuses to accept an anti-bribery or anti-corruption compliance clause in the contract, refuses to implement reasonable and customary compliance measures or refuses to comply with a reasonable request related to anti-bribery or anti-corruption compliance;
- lack of transparency in expenses and accounting records;
- an intermediary or partner is known to provide entertainment, gifts, hospitality or use of corporate facilities to foreign officials, political leaders or their families in their own country or elsewhere;
- the intermediary makes reference to political or charitable contributions as a way of influencing official action; and
- the proposed agreement between the Group and the intermediary is illegal under local law.

11. TRAINING AND COMMUNICATION OF THIS POLICY

Where appropriate employees of the Group are required to undertake a training course on anti- bribery and anti- corruption.

Where necessary, training shall be tailored to the specific risks associated with specific posts within the Group.

Training will be updated periodically as deemed necessary by the Group.

A copy of this policy is available on the Group's internal website. Contact details of the General Counsel can also be found there.

This policy may be disclosed to our customers, suppliers, sub-contractors, agents or intermediaries provided that the prior consent of the General Counsel is obtained.

There may be circumstances in which we are required to disclose this policy, for example in connection with a response to an RFP.

12. REPORTING AND INVESTIGATING CONTRAVENTIONS

If any person becomes aware of or suspects a breach of this policy by an employee or associate of the Group or a third party undertaking business on behalf of the Group, this must immediately be reported to the General Counsel.

Your report will be treated confidentially.

You may discuss the matter with your line manager if you wish.

You will not suffer any adverse consequences from the Group if you report suspected unlawful conduct.

You 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 such an investigation.

You must comply with any requests by the Group to provide all relevant information, materials or documents related to an investigation of a breach of this policy.

Any reports made under this policy will be promptly and thoroughly investigated.

The General Counsel will liaise with external parties including law enforcement authorities and make reports to those authorities if considered necessary.

13. RECORDKEEPING AND INTERNAL ACCOUNTING CONTROLS

The Company must make and keep books, records and accounts that accurately, fairly and in reasonable detail reflect all payment, expenses, transactions and disposition of the Company assets. The Company must also maintain an adequate system of internal accounting controls.

In relation to the Company's books and records, all employees must:

- not intentionally cause company documents to be incorrect in any way;
- not create or participate in the creation of any records that are intended to conceal anything that is improper;
- properly and promptly record all disbursements of funds; and
- not make unusual financial arrangements with a client or a supplier (such as over invoicing or under-invoicing) for payments on their behalf to a party not related to the transaction.

14. RESPONSIBILITY FOR ANTI-BRIBERY AND ANTI-CORRUPTION

This policy has been specifically adopted and approved by the board of directors or other appropriate corporate bodies of the Company. Overall responsibility for anti-bribery and anti-corruption rests with the board of directors of the Company. However, all Group employees are responsible for the success of this policy and to further the Group's commitment to the prohibition of bribery and corruption.

This policy may be amended and revised from time to time to take into account the evolving risks faced by the Group, as well as changes in applicable laws and international standards. Where material changes occur, the amended policy will be submitted for approval to the board of directors of the Company.

Responsibility for this policy at Group level rests with the General Counsel. If you have any questions regarding the content or interpretation of this policy, please contact the General Counsel.

Effective Version	Description of changes	Effective date
1.0	New Policy	04APR19
2.0	Amendments to reflect AIM delisting	18DEC20
3.0	Amendment to incorporate links to sanctions related sites	02AUG21