



**Veles** International

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

**April 2016 revision**

## INTRODUCTION AND SCOPE

This Anti-Bribery and Corruption Policy (*this Policy*) is designed in consideration of Wolfsberg Group Anti-Corruption Guidance and the best practice that may be relevant to the business of Veles International Limited (*VIL*, *we*, *us*). As a matter of best practice, there will be taken into account the applicable provisions of The UK Bribery Act 2010 and the respective Guidance of the UK Ministry of Justice.

This Policy aims to:

- set our responsibilities on countering bribery and corruption
- provide guidance on the standards of behavior to which we must all adhere to
- delineate particular measures VIL takes in order to prevent bribery in its own and its associated persons' activities and protect itself against the misuse of its operations in relation to corruption as well as against respective legal action
- provide all VIL's stakeholders with help and guidance if they are uncertain about whether there is a problem and need further advice.

This Policy is premised on the VIL management's understanding that bribery undermines the rule of law and poses serious threats to sustained economic progress in developing and emerging economies and to the proper operation of free markets and, eventually, market participants including VIL itself.

This Policy recognizes that bribery and corruption are punishable for individuals, including imprisonment, and if we are found to have taken part in or associated with corruption we could face an unlimited fine and face material damage to our reputation.

This Policy applies to all individuals working at all levels and grades, including directors, senior managers, officers, employees (whether permanent, fixed-term or temporary), trainees and interns, representatives, agents, consultants, contractors or any other persons associated with VIL, as well as any of our subsidiaries and other members of the group where it does not contradict with local laws (but not customs).

Where gifts, hospitality and entertainment are concerned, this Policy should be read and acted upon in conjunction with VIL's *Conflicts of Interest Policy*, *Inducements Policy* and *Anti-money Laundering Policy* but not as a substitution of these policies in their respective provisions. Compliance with the conflicts, inducements and AML rules does not provide a full safe-harbour from the rules of this Policy. Compliance with this Policy does not provide a safe-harbour from the rules of the policies mentioned above.

Without prejudice to the provision of the previous paragraph it is important to stress that many of the measures put in place by VIL to mitigate money laundering risk are relevant to the prevention and detection of client related corruption. For example, adequate customer due diligence procedures, including enhanced due diligence for politically exposed persons, support the mitigation of corruption risk.

In this Policy, the term *'third party'* includes any individual or organization VIL's staff comes into contact with during the course of their work, and includes actual and potential clients, suppliers, distributors, business contacts, agents, advisers, lawyers and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

In this Policy, the term *'associated person'* means any third party who performs services on behalf of VIL. It may be VIL's employees, affiliates, agents, representatives and, under certain circumstances, even suppliers and contractors. This term embraces the whole range of persons connected to VIL and who might be capable of committing bribery on its behalf.

In this Policy, the term '*public official*' includes officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind of the respective country or territory. It also includes any person who performs public functions in any branch of the national, local or municipal government of such a country or territory or who exercises a public function for any public agency or public enterprise of such a country or territory, such as professionals working for public health agencies and officers exercising public functions in state-owned enterprises.

Local public official is a public official holding the respective position, as specified above, in relation to Cyprus or the state of residence of VIL's respective affiliate or associated person to whom this Policy is applied.

Foreign public official is a public official holding the respective position, as specified above, in relation to a country or territory outside Cyprus or the state of residence of VIL's respective affiliate or associated person to whom this Policy is applied. Foreign public officials can also be an official or agent of a public international organisation, such as the UN, IMF or the World Bank.

If otherwise is not expressly stated in this Policy its provisions will apply to both foreign and local public officials.

The VIL's Board of Directors has overall responsibility for ensuring this Policy complies with our legal and ethical obligations, and that all those under our control comply with it. The VIL's Compliance Officer has primary responsibility for implementing this Policy, for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

In case of any doubt as to the understanding or application of this Policy staff should seek advice from VIL's Compliance Officer.

## **POLICY STATEMENT**

It is VIL's policy and senior management commitment to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our relationships and business dealings and to implementing and enforcing effective systems to counter bribery.

Our policy is to set out a single anti-bribery and corruption standard that all employees must comply with, regardless of whether local law, customs or practices in some jurisdictions we operate in might permit something to the contrary.

VIL prohibits any member of staff and associated person from, directly or indirectly, offering, promising, soliciting, requesting, receiving or agreeing to receive bribes including facilitation payments, kickbacks, advantage or other inappropriate inducements in any form. It also prohibits the use of other routes or channels to provide or receive improper advantages to/from clients or other third parties.

This applies where the payment or other benefit amounts to a breach of reasonable expectation that a person involved, representing either public or private sector, will act in good faith, impartially, or in accordance with a position of trust. Importantly, both public and commercial bribery are covered.

Accordingly, where we engage third parties, including situations not associated with our professional activities as a financial institution, we have obligations to complete sufficient due diligence on such third parties to ensure that they are not acting corruptly, and to periodically monitor their performance to ensure ongoing compliance. In situations associated with higher risk of bribery and

corruption, e.g. with respect to politically exposed persons and other officials, the enhanced due diligence is performed.

It is VIL's policy not to engage any third party who we know or reasonably suspect of engaging in bribery or corruption practices.

We are determined to make all third parties we engage aware of the general terms of VIL Anti-Bribery and Corruption Policy and of their obligations to comply with it. VIL will strive to ensure all arrangements with third parties are subject to clear contractual terms including specific provisions requiring them to comply with minimum standards and procedures in relation to bribery and corruption.

It is VIL's policy not to make donations or contributions to politicians, political parties or campaigns. Employees are not permitted to make any political contributions on VIL behalf. Any charitable donation is a subject of special scrutiny.

We realize that gifts, hospitality and entertainment may, in certain circumstances, represent a bribe. Therefore, all such payments and benefits must be made (received) in compliance with VIL's gifts and entertainment policy.

VIL undertakes appropriate anti-bribery and corruption training and awareness-raising upon induction of new members of staff and on ad-hoc basis tailoring the respective programs to the specific risks associated with particular posts and functions.

A failure by an employee to comply with VIL's Anti-bribery and Corruption Policy may lead to disciplinary action, up to and including termination of employment.

VIL is committed to ensure that employees can speak up with confidence if they have any concerns or need to ask for help. If they suspect or observe anything that they think might be in contravention of this Policy, they have an obligation to report it to the Compliance Officer. Alternatively, they can address their concerns directly to the respective non-executive director.

All reports raised will be taken seriously and, where appropriate, investigated in more depth. VIL will not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behaviour. All reports are treated confidentially.

VIL carries out regular, risk-based monitoring of its anti-bribery and corruption procedures.

## **WHAT IS BRIBERY**

A bribe is a payment, inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. Any performance is improper and constitutes bribery if it amounts to a breach of reasonable expectation that a person involved (the recipient) will act in good faith, impartially, or in accordance with a position of trust.

In terms of the definition above, a bribe may take different forms including monetary payment or benefit, unreasonable gift and provision of entertainment or hospitality, charitable or political contribution, as well as a facilitation payment and a kickback.

All types of bribery, except facilitation payments, apply to both private and public sector constituting, respectively, commercial and public bribery.

Facilitation payments are typically small (no matter how small), unofficial payments made to secure or expedite a routine, not improper, action by a government official.

All facilitation payments are prohibited by this Policy because they provide unfair advantage to the payer over other market participants in terms of the time or quality of the routine action to be performed by the official or may otherwise breach his/her impartiality.

Kickbacks (backhanders or side agreements) are typically payments made in return for a business favor or advantage. Kickbacks received by employees from the firm's business counterparties may often result in disadvantages, e.g. in transaction price, to the firm itself and constitute fraud.

All kickbacks are strictly prohibited by this Policy.

A bribe does not actually have to take place – just promising to give a bribe or agreeing to receive one is prohibited.

Dealing with public officials poses a particular high risk in relation to bribery and corruption and specific provisions on dealing with public officials is set out in this Policy.

In most circumstances, common sense will determine when there is a risk of bribery. However, below are some questions VIL staff should ask themselves if in doubt:

- Am I being asked to pay (accept) something or provide (accept) any other benefit over and above the cost of the services being performed, such as an excessive commission, a lavish gift, a kickback or make a contribution to a charity?
- Am I being asked to make a payment for services to someone other than the service provider?
- Are the hospitality or gifts I am giving or receiving reasonable and justified? Would I be embarrassed to disclose them?
- When a payment or other benefit is being offered or received, do I know or suspect it is to induce or reward unfavorable treatment, to undermine an impartial decision making process or to persuade someone to do something that would not be in the proper performance of their job?

#### **Examples:**

##### Offering a bribe

You offer a potential client (business partner) tickets to a major sporting event, but only if they agree to do business with us. This would be a bribe as you are making the offer to gain a commercial and contractual advantage or to obtain business for VIL. It may also be an offence for the potential client to accept your offer.

##### Receiving a bribe

A counterparty gives your relative a job, but makes it clear that in return they expect you to use your influence in VIL (group) to ensure we set-up, expand or continue doing business with them. It would be a bribe if you accept the offer as you would be doing so to gain a personal advantage. It may also be an offence for the counterparty to make such an offer.

##### Bribing a foreign public official

You arrange for VIL (group) to make an additional payment to a foreign public official to speed up a routine administrative process, such as issuing a document or clearing IT items through customs. The bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for VIL.

## **GIFTS, ENTERTAINMENT AND HOSPITALITY POLICY**

Giving or receiving gifts or hospitality is often an important part of maintaining and developing business relationships, e.g. airport transfers, business lunches, event accommodation, celebrations of corporate milestones or anniversaries, sporting or cultural events, training sessions, etc. However, all gifts, hospitality and entertainment should be for a genuine purpose, reasonable, given in the ordinary course of business and should comply with the VIL policies.

This Policy does not prohibit normal and appropriate hospitality and entertainment given and received to or from third parties and the giving or receipt of gifts, provided that this does not contain characteristics of bribery pointed out in this Policy and is done in accordance with this Policy.

As a minimum and for the purposes of this Policy, gifts, hospitality and entertainment may be considered normal and appropriate where they:

- are not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits
- comply with local law
- comply with VIL's *Conflicts of Interests* and *Inducements Policies*
- are given in VIL' name, not in the employee's name
- are appropriate in the circumstances; for example, it is customary for small gifts to be given at Christmas time
- are reasonable and commensurate with the financial industry standards or norms; are of an appropriate type and value and given at an appropriate time
- are proportionate and take account of the recipient's role or position as appropriate
- do not represent political contributions or make an impression thereof
- are not made to a recipient's spouse, children, other family members, friends or representatives
- do not include cash or a cash equivalent (such as securities, gift certificates or vouchers)
- are not unreasonably repetitive with regards particular persons (clients, counterparties, etc.)
- are not of special value to a particular recipient, e.g. rare collectible items
- are not in deficit in the area where a recipient resides
- are given openly, not secretly
- if provided for in this Policy, are agreed upon and approved by VIL's Compliance Officer or CEO, and
- are properly reported and kept in the VIL's records in accordance with this Policy.

Lavish or unreasonable gifts, hospitality or entertainment, whether these are given or received, are unacceptable as they can create the impression that we are trying to obtain or receive favourable business treatment by providing individuals with personal benefits. In addition, gifts and hospitality can themselves be a bribe as pointed out elsewhere in this Policy. Staff should be careful to avoid even the appearance that the giving or accepting of gifts or hospitality might influence the decisions they take on behalf of VIL.

Without prejudice to the provision of the previous paragraph, the offering of exclusive or relatively large entertainment or gifts to prospective or existing private clients to whom such entertainment or gifts would not be of significant value relative to their personal wealth may be acceptable in certain circumstances and if pre-approved.

Where VIL hosts a conference, seminar or other business oriented event that serves to educate or inform clients, business partners or other stakeholders, VIL may cover reasonable costs of the travel, hotels and entertainment of the participants. This will be permitted provided that the respective offer is given to all the participants of certain category and not to some selected persons. In all cases the employees in charge of the event should ensure VIL has clear contractual arrangements with the clients and any third parties participating.

Business entertainment of a public official must be reasonable and proportionate and take account of all applicable laws and regulations to which the public official is subject, both domestically and by

laws that have an extra-territorial reach. Where public officials are subject to internal regulations or codes of conduct, which are not publicly available, external counsel's opinion on what would constitute reasonable business entertainment should be obtained before making the decision on provision of the entertainment or hospitality.

Where public officials have been amongst the external speakers in an event organized or sponsored by VIL (conference, seminar, etc.), it would typically be acceptable, absent other risk factors, to bestow a reasonable gift as a token of appreciation to all the speakers, including any public officials, in recognition of their contributions and separate from any contractual fee arrangements.

If in the cases mentioned above the entertainment or gifts are to be provided to public officials from government entities which are in a position to regulate or supervise VIL or any member of its group these should be reviewed by the VIL's Compliance Officer and any risks of conflicts mitigated appropriately before any invitations are issued.

Risk mitigants will depend on all the circumstances and what is permissible according to applicable laws and may include:

- obtaining external counsel's advice
- issuing transparency letters to the government agency or entity where the public official works
- extending the invitation to the public entity more generally and not targeting any specific individual
- the inclusion of disclaimers on invitations that place the onus on the recipient to be transparent to his/her employer or organization.

All gifts, hospitality or entertainment should be approved by the VIL's Compliance Officer prior to their provision or receipt if their respective value is in excess of 100 (hundred) Euro.

All gifts, hospitality or entertainment which are to be provided to a public official should be approved by VIL's CEO prior to their provision irrespective of their value.

All gifts, hospitality or entertainment, irrespective of their value, should be reported to VIL's Compliance Officer on a monthly basis and the records thereof should be kept by the Compliance Officer.

## **SPONSORSHIP AND CHARITABLE DONATIONS**

VIL, as any other financial firm, may seek to enhance its brand image or status in the communities where it operates through sponsorships of events and institutions. Such sponsorships or donations may support the arts, sporting or cultural events, conferences, seminars, educational establishments, academic endeavours or otherwise be of a philanthropic or charitable nature.

VIL has a clear and transparent approach to sponsorship and donations. Suitable recipients are carefully selected and appropriate levels of prior due diligence are conducted in all cases employing a risk based approach.

All the VIL's employees involved in the process should be aware that certain donations which may appear legitimate on their face could in fact serve as a disguise for bribery. For example, the risk of bribery is high if a charitable donation is solicited from VIL by a public official for a charity connected to her/his family and there is pending business with the government department where the public official is employed. Such or similar donations are strongly prohibited by this Policy.

All the decisions on sponsorship and donations should be made with participation of the VIL's (or the group) Marketing Department and the VIL's Compliance Officer and should be pre-approved by VIL's CEO.

## **MEASURES TO PREVENT BRIBERY AND CORRUPTION**

## **Risk assessment**

VIL will assess and regularly re-assess its bribery risks separately from the client risks.

Defining which categories of third parties can create potential liability is a key element in the risk assessment. Commonly encountered external risks can be categorized into five broad groups:

- country risk – higher levels of perceived corruption and a lack of transparency characteristic of some jurisdictions
- sectoral risk - higher risk sectors include the extractive industries and the large scale construction and infrastructure sector
- transaction risk - certain types of transaction give rise to higher risks, for example, charitable contributions, licenses and permits, transactions relating to public procurement and tenders
- business opportunity risk - such risks might arise, for example, in projects which are not apparently undertaken at market prices, or which do not have a clear objective or transparent legal structure
- business partnership risk, such as relationships with politically exposed persons or foreign public officials.

Commonly encountered internal risks may include, inter alia:

- deficiencies in current employee training, skills and knowledge
- lack of resources, including staff
- deficiencies in corporate or bonus culture that, for example, may reward excessive risk taking
- influence from the group whose policies may differ from those adopted by the firm
- lack of clarity in current policies or procedures and/or deficiencies in their implementation
- lack of clear financial controls or pre-approval arrangements
- lack of a clear anti-bribery message from the top-level management.

The process of periodic risk re-assessment will be conducted at least annually by VIL's Compliance Officer with the oversight from the Board of Directors. Notwithstanding the due diligence provisions of this Policy, ad-hoc risk assessments will be performed in each case of material change in the VIL's business situation (e.g. entering a new market) or other changes in one or more of the risk factors listed above.

Also, risk assessments will be performed in the process of approving gifts, hospitality and entertainment, sponsorship and charitable donations as set forth in this Policy.

Due diligence enquiries will be made with regards all clients and third parties as set forth in this Policy.

The Board of Directors will strive to ensure VIL and its Compliance function has appropriate resourcing to adequately identify, prioritize and mitigate risks associated with bribery and corruption.

For the purposes of risk assessment all appropriate sources of internal and external information will be used including specialist organizations (e.g. Transparency International) web-sites, official registrars and databases, trusted internet resources and external consultants.

Accurate and appropriate documentation of the risk assessment and its conclusions will be kept by the Compliance Officer.

## **Due diligence and related measures**

Due diligence (DD) related to bribery prevention forms part of a wider VIL's DD framework, which includes anti-money laundering and counter terrorist financing (AML/CTF) DD, business and legal risks DD and also anti-fraud DD.

In this Policy, due diligence procedures are both a form of bribery risk assessment and a means of mitigating the risk of bribery and corruption.

Due diligence for the purposes of this Policy should be conducted using a risk-based approach. For example, in lower risk situations (e.g. with regards suppliers of office furniture or appliances), VIL may decide that there is no need to conduct much in the way of due diligence. In higher risk situations (e.g. with regards prospective clients or associated persons) due diligence may include completing questionnaires, requesting identity and other documents, conducting direct interrogative enquiries, indirect investigations, or general research.

VIL applies due diligence procedures, taking a proportionate and risk based approach, in respect of the following persons (individuals, legal entities and others):

- clients, including market counterparties and corporate finance clients
- associated persons
- other third parties, including contractors, suppliers or service providers.

Client-related corruption risks are generally mitigated by application by VIL of the respective KYC procedures provided for in its *AML/CTF* and *Client Acceptance (On-Boarding) Policies* including enhanced due diligence of and monitoring the activity of politically exposed persons. In addition, measures implemented to ensure that wire payments contain complete and accurate client details also assist in the prevention and detection of corruption.

Due diligence on clients other than those in relation to VIL's regulated investment activities, such as corporate finance clients, is conducted at the same time with the business and legal due diligence according to the principles applicable to VIL's associated persons.

Corruption risks related to associated persons. Third parties that may be engaged, directly or indirectly, by VIL to act on its behalf to find, introduce, obtain or maintain business, clients or licenses for the financial institution, or who introduce the financial institution to government officials or government enterprises (associated persons), irrespective of whether a transaction is completed, will be subject to an assessment that examines:

- business necessity for their retention
- reputation of the third party
- negative publicity, including with regards corruption, and possible legal proceedings
- regulatory history (if applicable)
- the third party's status (e.g. to determine whether they, their beneficial owners, or directors, managers of employees are themselves public officials)
- background e.g. qualifications for the services to be provided
- country risk (reference may be made to countries perceived as having high levels of corruption)
- likelihood of interactions with a public official where that official has discretionary authority over some matter impacting or involving VIL
- proposed products and services and the amount and terms of compensation (inappropriate or unusually large 'success fees' would be a red flag)
- types of the third party's clients (e.g. state owned or controlled organizations, etc.)

This assessment will inform the risk categorization of a third party and the level of due diligence (e.g. enhanced) and escalation procedures.

Where red flags are uncovered, further due diligence (as specified below) should be undertaken so that a fully informed decision as to whether to employ the third party can be taken.

The following is a non-exhaustive list of red flags which would warrant further review when the third party:

- has a flawed background or reputation
- is a recent senior public official of the same government department or business responsible for the award of the contract or permission; or matter at issue is suggested by a public official, particularly one connected to the business or matter at issue
- has a close business, personal or family relationship with a public official who has discretionary authority over the business or transaction at issue
- objections to anti-corruption representations or warranties being included by VIL in the agreement
- does not reside or have significant business presence in the country where the customer or business is located
- is a shell (offshore) company or has some other non-transparent corporate structure
- requires payment of a commission, or a significant portion thereof, before or immediately upon the contract is awarded
- requests unusual contract terms that raise local law issues
- requests payment in cash, advance payments, payment to an individual or entity that is not the contracting individual/entity, payment to a numbered bank account or a bank account not held by the contracting individual/entity, or payment into a country that is not the contracting individual/entity's principal place of business or the country where the services are performed.

For such third parties further due diligence processes should be conducted including deeper background checks, obtaining external risk reports on the entity or individual and broader media searches.

Due diligence of associated persons in relation of VIL's regulated activities will be conducted by the Compliance function with support of the group internal Financial Intelligence Unit.

Due diligence of associated persons not related to VIL's regulated activities will be conducted by the group internal Financial Intelligence Unit.

If red flags are uncovered every arrangement with such third party should be approved by the Compliance Officer. If a public official is involved or in another case of materially high corruption risk such a relationship (arrangement) should be also pre-approved by VIL's CEO.

Applicable risk mitigation will also allow for:

- inclusion of appropriate contractual terms with anti-bribery and corruption representations and warranties
- on-going monitoring and periodic reviews
- communication of VIL's anti-corruption standards and appropriate training of third parties.

VIL maintains a record of the names, terms of employment and payments to all third parties who are retained by it in connection with transactions with public officials, state or private entities.

Corruption risks related to third parties other than associated persons. Such third parties will be subject to an assessment that examines at least:

- business necessity for their retention
- reputation of the third party
- negative publicity, including with regards corruption) and possible legal proceedings
- country risk (reference may be made to countries perceived as having high levels of corruption)

- the price or amount and terms of compensation (abnormal price or unusual fees will be red flags)

Certain items of the non-exhaustive list of red flags for associated persons will also be applicable to other third parties.

Due diligence on third parties other than associated persons will be conducted by the group internal Financial Intelligence Unit. If red flags are uncovered every arrangement with such third party should be approved by the Compliance Officer.

### **Monitoring and surveillance**

VIL's Compliance Officer will conduct periodic monitoring for bribery and corruption. Monitoring will be performed in line with the principles applicable to anti-money laundering monitoring processes.

If the VIL's business or circumstances change, the level of monitoring will be increased. Special attention should be paid to public media to ensure that risks are identified and mitigated early on.

Post transaction monitoring for expense reimbursement/receipt of gifts or business entertainment, sponsorship, corporate events and vendor retention will be conducted to assess adherence to this Policy.

Monitoring of the third party's activities and expenses may be appropriate in some circumstances, particularly if any red flags emerge during the relationship. Monitoring could comprise:

- reviewing the services actually rendered before payments are made
- reviewing any unusual or excessive expenses
- auditing the third party on a risk based, periodic basis and promptly if any suspicions arise.

As an independent control verification measure particularly for activities or contracts that present increased bribery risks and which require senior management review the independent review should be conducted by the CEO and a non-executive director (the 'four eyes' principle) upon the presentation of the case to them by the Compliance Officer.

Breaches of this Policy by a VIL's employee or associated person will involve unusual or suspicious activity warranting investigation conducted by the Compliance Officer with the necessary support by the group internal Financial Intelligence Unit. In some situations VIL may retain outside counsel to assist in conducting the investigation. If suspicious activity is confirmed, or if there is no plausible explanation for the activity, the procedures relating to the filing of a Suspicious Activity Report should be filed, as required by the law.

### **Payment controls**

All payments must be made for legitimate business reasons only. Invoices, receipts, card slips, explanation notes and other substantiating documentation should be provided to the VIL's Treasury department with an appropriate level of detail in order to support authorization for repayment of fees, travel and expenses and gifts and entertainment expenditures, which will be subject to a 'four eyes' approval principle.

Any cash payments, including in respect to gifts, hospitality and entertainment, are generally prohibited unless especially preapproved by the Compliance Officer or VIL's CEO. When paying for business lunches, taxi or similar expenses the use of corporate credit or debit cards is encouraged. In some circumstances the use of employees' personal cards may be allowed if justified and accounted for.

The limit of such one-off credit card payment to third parties is established as EUR 500 (five hundred Euros). The limit of monthly credit card payments is established as EUR 1.500 (one thousand five

hundred Euros) for every member of staff authorized to make such payments. If an employee reasonably thinks that the limit has to be exceeded in the VIL's interests he/she should contact the VIL's Treasury department, explain the situation and request for the authorization.

All such situations should be recorded and kept in the books of the VIL's Treasury department. If in doubt the Treasury department's personnel should seek advice from the Compliance function before the authorization is provided.

### **Communication and training**

It is VIL's policy to ensure that its bribery and corruption prevention policies and procedures are embedded and understood by all its stakeholders (i.e. employees, associated persons and other third parties, government authorities and local communities) through internal and external communication, including training, which is proportionate to the risks VIL faces.

Internal communications are performed through awareness and training programs and should convey:

- senior management commitment to adhere to the anti-corruption principles
- anti-bribery procedures and measures on their implementation
- general provisions of and changes to the applicable anti-bribery and corruption legislation including corporate and personal liability
- explanations of relevant definitions (bribery, facilitation payments, public officials, associated parties, etc.) supported by examples applicable to the VIL's business circumstances
- case studies and/or practical examples which present potential scenarios that VIL's employees may encounter in their line of business
- how to seek advice, escalation and whistleblowing procedures and how to report any concerns or suspicions of bribery
- adequate protection for those reporting concerns.

Awareness programs include regular messages from the Board, CEO and the Compliance Officer, references to the page of the VIL's internal web-site containing this Policy, as well as the detailed procedures and guidance, relevant media materials and articles of external professionals and government officials.

General training in the forms of workshops or seminars is mandatory for new employees as part of an induction process, but it will also be tailored to the specific risks associated with particular posts, especially when higher risk functions are concerned (sales personnel, procurement, contracting, marketing and working in high risk countries).

Post-training assessments or attestations of understanding should be completed by trainees (where it is appropriate to do so) with completion records reviewed by the programme managers, who may be members of the VIL's Compliance function or the group HR.

Employees will be encouraged to provide feedback on the training they have received at an early opportunity after its conclusion.

Detailed records should be kept of all training delivered to facilitate tracking and reporting of training sessions delivered.

External communication of the VIL's bribery and corruption prevention policies is aimed to reassure existing and prospective associated persons and can act as a deterrent to those intending to bribe on VIL's behalf.

Such communications include:

- placement of the Policy Statement (part of this Policy) and other relevant documents on the VIL's web-site and incorporating references to this web-page in respective correspondence with the third parties
- providing associated persons with special memoranda or seminars
- inclusion of special anti-corruption provisions into contracts with third parties.

### **Contractual arrangements**

The scope of anti-bribery terms in contractual arrangements with third parties will depend on factors such as the level of potential bribery risk posed by a given counterparty, the transaction in question and all the circumstances of the relevant contractual negotiation.

The provisions for inclusion into contracts are:

- prohibition of all types of bribery including facilitation payments and kickbacks, and
- acknowledgement that appropriate anti-bribery policies and procedures are in place
- obligation for third parties who are VIL's associated persons to insure the respective speak-up (whistleblowing) arrangements are in place, including reporting instances of the highest concern directly to VIL where appropriate.

Third parties should not be contracted with unless VIL is satisfied that the risks associated with these third parties are within its risk appetite and/or have been properly mitigated and controlled. In cases of enhanced risk, an independent assessment from VIL's Compliance Officer should be sought.

### **Standards for hiring, internships and remuneration**

VIL will seek to ensure that all offers of employment are merit based. VIL expressly prohibits offers of employment or internships (or the opportunity to be considered for such) made as an inducement or quid-pro-quo to obtain or retain business, to gain an unfair business advantage or to influence a government or regulatory action.

Records should be made which conclusively prove the bona fides of employment and internships.

Instances of hiring practices that appear to violate these principles should be investigated by the Compliance or Internal Audit functions.

When designing remuneration systems, VIL's senior management should be sensitive to the possibility that managers and employees may misunderstand incentives based upon specific sales and performance goals especially where tied to commissions, advancement, bonuses, or other 'one-off' payments related to a specific deal or transaction, in that they may encourage personnel to resort to improper practices to achieve such goals (e.g. give or receive commercial bribes in any form, no matter how low).

Besides other disciplinary measures, to discourage such practices the respective bonuses claw-back procedures should be implemented, where applicable, in relation to the situations where instances of improper practice have been uncovered.

### **Whistleblowing**

VIL's whistleblowing system aims to receive and encourage, in full confidentiality, all reasonable requests for advice and guidance on business conduct that appears to raise ethical concerns (including as they may be related to any acts associated with bribery including offers, promises or solicitations), that are raised by its employees, subsidiaries and affiliates, and also to any extent possible by any associated persons.

If relevant persons suspect or observe anything that they think might be in contravention of anti-corruption principles, they should report it to the VIL's Compliance Officer. Alternatively, they can address their concerns directly to the designated non-executive director.

All whistleblowers' reports should be diligently acknowledged, recorded and screened. Bona fide reports should be investigated by the Compliance Officer and reported to the Board of Directors. If deemed appropriate reporting persons will be provided with the feed-back information.

VIL will maintain, to the fullest extent possible and at all times, the confidentiality of the data revealed through whistleblowing, as well as the identity of the whistleblower, subject to overriding legal requirements and should protect such data with the most appropriate means.

Whistleblowers who have submitted bona fide reports are protected by the law. VIL does not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behaviour.

Confidentiality will be maintained throughout the process, with information transferred purely on a need-to-know basis, and employees will be provided with reporting hotline information.

### **Record keeping**

VIL will maintain accurate books and records in accordance with applicable regulatory and legislative requirements. Records should be made in all cases and on all the items provided for elsewhere in this Policy.

Front and Back-office employees will share responsibility for accurately documenting the provision or receipt of any items of value to or from the clients, as well as payments to/from third parties and any approvals mandated by this Policy and other relevant internal policies and procedures.