

# ANTI CORRUPTION POLICY

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**LAURELCAP GROUP OF COMPANIES**

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# ANTI CORRUPTION POLICY

## LAURELCAP GROUP OF COMPANIES

Laurelcap Group of Companies and its subsidiaries (collectively, "LAURELCAP") recognises the importance of establishing and upholding good corporate governance and is fully committed to conducting its business in accordance with the highest ethical standards in full compliance with all applicable laws, regulations, code of conducts and standards in all locations and jurisdictions in which LAURELCAP operates.

LAURELCAP condemns any form of bribery or corruption. Staff and service providers shall take all appropriate measures to prevent corrupt practices on behalf of LAURELCAP.

LAURELCAP expects every employee and service providers to abide by statutory regulations, this Policy, which provide more details regarding ethical business conduct and compliance with the law as required by law and LAURELCAP.

The purpose of this Policy is to establish controls to ensure compliance with all applicable anti-bribery and anti-corruption regulations, and to ensure that LAURELCAP's business is conducted in a legal and socially responsible manner.

### **I. Anti-Corruption Policy**

In line with this commitment, LAURELCAP has adopted the following policy in all its business transactions:

**ALL MEMBERS OF THE BOARD OF DIRECTORS, STAFF, ASSOCIATES AND SERVICE PROVIDERS ARE REQUIRED TO UPHOLD THE HIGHEST STANDARD OF INTEGRITY AND ACCOUNTABILITY IN DISCHARGING THEIR DUTIES ON BEHALF OF LAURELCAP AND TO ENSURE THAT ALL OF ITS BUSINESS ACTIVITIES ARE CONDUCTED IN COMPLIANCE WITH THE APPLICABLE LEGAL AND REGULATORY REQUIREMENTS ON ANTI-BRIBERY AND ANTI-CORRUPTION, BOTH IN LETTER AND SPIRIT. ("POLICY")**

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Bribery is the offering, promising, giving, accepting or soliciting of an advantage as a reward for action which is illegal or a breach of trust. This includes accepting anything of material value to gain a commercial, contractual, regulatory or personal advantage. It is our code to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we are implementing, operating and enforcing effective systems to counter bribery. We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. Bribery and corruption are punishable by imprisonment. If we are found to have taken part in corruption, we could also face fines and face damage to our reputation. We therefore take our legal responsibilities very seriously.

## **II. Scope**

This Anti-Corruption Policy applies to LAURELCAP, all LAURELCAP Personnel and service providers carrying out business activities on behalf of LAURELCAP. Responsibility for compliance with this Policy and the related internal controls, ethics and compliance programs or measures is the duty of individuals at every level of LAURELCAP. LAURELCAP will endeavor in good faith to use its influence to the extent reasonable under the circumstances to require entities not controlled by LAURELCAP but which operate on behalf of LAURELCAP and/or under the LAURELCAP brand (e.g., Representatives) to adopt and implement policies and internal controls of their own that minimize the risk of violation of the anti-corruption laws relating to LAURELCAP's business.

Pursuant to this Policy, third party or service provider means any individual or organization LAURELCAP Personnel come into contact with during the course of their work for LAURELCAP, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties. This Policy apply to all individuals working at all levels, including senior managers, officers, employees (whether permanent or temporary), consultants, contractors, trainees, interns, or any other person associated with LAURELCAP.

## **III. Definitions**

Bribe: Any payment, gift, promise or offer of money or anything of value <sup>(1)</sup>, whether directly or indirectly through intermediaries, to any person or entity for the purpose of

- i. improperly influencing any act or inaction, or decision or nondecision of the recipient in his or her official capacity,
- ii. inducing the recipient to act or refrain from acting in relation to the performance of their duties,
- iii. securing improper advantage,

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- iv. obtaining or retaining business,
  - v. inducing the recipient to use influence with a third party (including a Government Entity) to affect or influence any act or inaction, or decision or non-decision of such third party, or
  - vi. "rewarding" a recipient after the fact for affecting or influencing any act or inaction, or decision or non-decision of a third party.

*(1) "Anything of value" includes, but is not limited to, cash, cash equivalents, services, gifts, travel expenses, entertainment, offers of employment or internships, meals, vouchers, event sponsorships, pledges or donations.*

LAURELCAP Personnel: All LAURELCAP officers, directors, employees and any individual or entity acting for or on behalf of LAURELCAP, operating in any part of the world. LAURELCAP Personnel shall include temporary or seconded personnel, whether or not employees, who are also employees of third party agencies or service providers.

Facilitating or Grease Payment: A payment made to a Government Entity in order to encourage or reward it before, during or after the fact to expedite a non-discretionary, routine governmental task that it is otherwise required to undertake, such as processing government paperwork, while providing routine government services. Examples of Facilitating or Grease Payments include small fees to receive police protection, mail pick-up, a stamp of an entry visa, or to have a telephone line installed or an application processed. Routine governmental action does not include (1) a decision by a foreign official to award business to, or to continue business with, a company, or (2) an action or inaction, or decision or non-decision to which LAURELCAP is not legally entitled.

Our strict policy is that facilitation payments must not be paid. Facilitation payments are made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to obtain or retain business or any improper business advantage.

Government Entity: A government, government body or department, government employee, representative or official, public official, political candidate, political party, party official, public international organization (e.g., United Nations or World Bank), a government linked company (GLC) and every employee of a GLC regardless of rank or title and regardless of how local law may characterize the employee. The term Government Entity should be interpreted broadly and may also include individuals in unpaid or honorary government positions, including committees, panels, commissions or other advisory positions.

Intermediary: A person that contacts or interacts with a Government Entity on behalf of a third party, including a client (e.g., obtaining permits, licenses, occupancy certificates, government data, planning approval, building approval, building completion certificates, fire and safety certificates etc.).

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Kickback: A particular form of Bribe which takes place when a person entrusted by an employer or Government Entity has responsibility for the granting of a benefit (e.g., awarding a contract) and does so in a way that secures for his or herself a return (kickback) of some of the value or benefit of that transaction without the authorization of his or her employer or Government Entity.

Representative: Any person or entity acting on LAURELCAP's behalf for the purpose of developing or securing new business opportunities, retaining existing business opportunities or assisting LAURELCAP or a client to obtain a license or approval from a Government Entity. Representatives may include finders, introducers, certain consultants, agents, co-brokers, referring brokers, joint venture partners and LAURELCAP affiliates or licensees.

GLC: State-owned or state controlled commercial enterprises, which are companies over which a Government Entity exercises substantial control (even if not wholly-owned) and are therefore deemed an "instrumentality" of the Government Entity.

#### **IV. PROVISIONS AND CONDITIONS**

##### **A. Compliance with Laws.**

Neither LAURELCAP nor any LAURELCAP Personnel or its Representative may, directly or indirectly, break or seek to evade the laws or regulations of any country in or through which it does or seeks to do business. That an illegal act is "customary business practice" or "local practice" in any geography is not sufficient justification for violation of this provision and therefore any employee in violation of this Policy will be subject to disciplinary actions, up to and including termination.

##### **B. Anti-Corruption Provisions.**

1. Bribes and Kickbacks -- Neither LAURELCAP nor any LAURELCAP Personnel may, directly or indirectly, authorize, offer, provide, solicit or receive a Bribe or Kickback for its own account or as an Intermediary or agent of a LAURELCAP client and all offers of, or solicitations or demands for, Bribes and/or Kickbacks must be expressly rejected. This provision prohibits Bribes and Kickbacks to Government Entities, commercial entities and individuals. LAURELCAP will take necessary action to prevent Representatives acting on its behalf from violating this provision.
2. LAURELCAP Acting as an Intermediary with a Government Entity -- If LAURELCAP is expected by a client to act on its behalf as an Intermediary with a Government Entity, the contract with the client should be clear as to the scope of services, and any payments or subcontracts undertaken in furtherance of the assignment shall be approved by an Authorized Approver. LAURELCAP and LAURELCAP Personnel shall under no circumstances act as a conduit to pass-through a Bribe, Kickback or

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Facilitating or Grease payment either on its own or via a third party on behalf of a client. Any LAURELCAP Personnel found to have been directly, indirectly or complicit in engaging in such prohibited conduct shall be subject to disciplinary actions, up to and including termination.

3. Facilitating or Grease Payments -- LAURELCAP prohibits Facilitating or Grease Payments, regardless of whether such payments are permitted by the government within the jurisdiction where such payment is proposed.
4. Charitable and Political Contributions -- LAURELCAP prohibits any charitable or political contribution by or on behalf of LAURELCAP or any LAURELCAP Personnel to any entity, including at the request or suggestion of a Government Entity (or a family member of a Government Entity employee), in order to gain an improper business advantage. unless it (1) is approved by LAURELCAP in compliance with this Policy, (2) is legal, and (3) is properly recorded in the books and records of LAURELCAP.
5. Travel, Meals, Entertainment, Client Events and Gifts -- This Policy does not prohibit reasonable expenditures for travel, meals, entertainment, client events and gifts and similar or related expenses of a Government Entity with a bona fide and documented business purpose. Such expenditures made to or on behalf of a Government Entity are prohibited unless they are (1) approved by LAURELCAP in compliance with this Policy, (2) legal, and (3) properly recorded in the books and records of LAURELCAP. In addition, for any LAURELCAP function for which any travel or lodging is paid by LAURELCAP, the attendance of any Government Entities must be approved by LAURELCAP in advance. With respect to business travel with any client or third party, LAURELCAP will not provide any advances, reimbursements, or per diem or "walking around money.". They may never be provided on a stand-alone basis.
6. Hiring Employees or Family Members of Clients -- From time to time LAURELCAP may offer internships, employment or similar positions to employees or family members of clients. However, all hiring decisions should be made on merit, and be based on the qualifications of the candidate for the position, and making any such offer in order to gain an improper business advantage is strictly prohibited. In addition, LAURELCAP will not offer internships, employment or similar positions to a Government Entity or a family member of a Government Entity employee without advance approval of LAURELCAP.
7. Sponsors of Visa Applications -- LAURELCAP will not sponsor any visa application for any party who is not a LAURELCAP employee (e.g., an employee of a client) without a valid and specific business reason. Sponsorship of visa applications in order to gain an improper business advantage is strictly prohibited. Visa sponsorships for family members or employees of Government Entities require the advance approval of LAURELCAP.



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8. All Payments/Transactions Must be Approved -- Even if the exact type of payment or transaction is not specifically described here, any payments or offers of anything of value for any purposes to a Government Entity, must be approved in writing by LAURELCAP and recorded accurately in the LAURELCAP's books and records.
  9. Financial Controls – Recognising the size of LAURELCAP payments to third parties of a non-contract nature shall wherever possible be recommended and approved by separate senior management.
  10. Non-Financial Controls – Recognising the size of LAURELCAP the recommendation and approval of duties and powers of LAURELCAP Personnel shall wherever possible be undertaken by separate senior management.
  11. Conflict of Interest – All LAURELCAP Personnel and Representative shall declare in writing any financial or personal interest in any LAURELCAP project undertaken by themselves.

#### C. Books, Records and Due Diligence

1. Company Accounts -- LAURELCAP shall maintain complete and accurate financial records, ensuring that all transactions are properly, accurately and fairly recorded in its books and records. The book entries shall be clear and accurate. Obscuring or euphemistic language must be avoided. The obligations above shall apply to client financial records and accounts (e.g., property-level trust accounts) managed by LAURELCAP.
2. Relationships with Representatives
  - a. Selecting and Vetting Representatives -- To minimize the risk that LAURELCAP will be held responsible for unauthorized actions of Representatives that violate the anti-corruption laws, before engaging any Representative LAURELCAP will satisfy itself of the potential Representative's relevant expertise and good professional standing, that the Representative is not a Government Official, and is not a related party of or directly or indirectly employed by an existing or prospective client. It is a violation of this Policy to engage a Representative on behalf of a client to execute a coordinated scheme to divide a payoff or mutual benefit.
  - b. Recommending Third Parties to Clients -- No LAURELCAP Personnel shall make a referral or recommendation to a LAURELCAP client of a third party if the LAURELCAP Personnel knows or should know that such third party would likely pay a Bribe or Kickback on behalf of the Client.
  - c. Red Flags in Relationships with Representatives -- Standard procedures and contract terms, however, are no substitute for LAURELCAP Personnel's personal business judgment. There are certain "red flags" that indicate a relationship with

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a Representative may cause the Company undue risk under the anti-corruption laws. (See Exhibit A for examples of “red flags.”) If any red flags are identified, they must be further investigated and resolved and any relationship with such Representative must be approved in writing by LAURELCAP.

#### D. M&A, Affiliates and Other Corporate Transactions

Prior to entering into any mergers, acquisitions, equity investments, affiliate agreements, joint ventures or similar transactions, LAURELCAP must complete due diligence on the counterparty designed to reasonably determine the level and nature of anti-corruption risk posed by the transaction. The form and manner of the due diligence will be determined by the LAURELCAP based on the proposed nature, structure, scope, size and location of the transaction.

#### E. Auditing and Monitoring

LAURELCAP shall periodically audit and monitor compliance with this Policy. LAURELCAP Personnel and Representatives may be required to execute certifications of policy compliance.

#### F. Risk Assessment

LAURELCAP shall conduct periodic risk assessments to assess changing conditions in each country of operations, line of business and ongoing relationships with third parties, affiliates, and the like.

#### G. Hiring

To mitigate the risk that authority will be vested in a person not trustworthy to act responsibly, LAURELCAP should conduct reference and/or background checks, in a manner determined by LAURELCAP, on all candidates for management positions (including property managers) or any position as may be determined by the LAURELCAP.

#### H. Reporting Violations

LAURELCAP Personnel who become aware of a possible violation of this Policy or the anti-corruption laws or who are subjected to any form of extortion or are asked to participate in a bribery or kickback scheme must report it through one or more of the avenues for reporting misconduct. Any person contacted regarding an incident or violation under this Policy must promptly report such contact to LAURELCAP.



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## I. Retaliation is Not Tolerated

LAURELCAP prohibits retaliation against any person who in good faith raises questions or concerns, reports a violation or assists in an investigation under this Policy. No LAURELCAP Personnel will suffer demotion, penalty or other adverse employment action as a result of not paying or agreeing to pay Bribes or Kickbacks, even when LAURELCAP may lose business opportunities as a result.

## J. No Undue Pressure

No manager or supervisor may ask, pressure, require or encourage any LAURELCAP Personnel to violate this Policy. Following a superior's orders will not excuse any such violation.

## K. Investigations

If a report regarding violation of this Policy is received, it will be investigated and documented in accordance with LAURELCAP's approved investigation procedures, and appropriate action based on the findings of such investigation will be taken. LAURELCAP Personnel are expected to provide full cooperation and truthful answers in an investigation and failure to do so will result in disciplinary actions, up to and including termination. Unless required by law, LAURELCAP Personnel shall not be required to divulge their identity for any such report.

## L. Disciplinary Action

Any employee who violates the law, this Policy or any related policy or procedure will be subject to appropriate disciplinary action, up to and including termination. In addition, LAURELCAP may choose or be required to report violations to law enforcement or other regulatory agencies, and LAURELCAP Personnel should be aware that individuals are held personally accountable under the anticorruption laws. In determining the appropriate disciplinary action, LAURELCAP will take into consideration the circumstances under which an improper payment was made (e.g., whether there was a good faith belief that the LAURELCAP Personnel's personal safety was threatened or under the threat of physical violence or incarceration, whereby such payment made under a genuine threat is promptly reported to LAURELCAP) consistent with the provisions of this Policy.

## M. Communication and Training

LAURELCAP will periodically issue written communications to employees in order to promote awareness of and engagement with, as well as demonstrate top-level commitment to, this Policy. An appropriate level of anti-corruption training will be provided to employees and Representatives based on a risk assessment of needs relative to job function. It is important that you tell local management as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

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#### N. Further Guidance –

If any LAURELCAP Personnel has any questions or needs urgent advice about this Policy, they should contact the Managing Director at any time for advice or answers to questions regarding this Policy, including on an anonymous basis.

You must ensure that you read, understand and comply with these guidelines. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for or with us. All employees are required to avoid any activity that might lead to, or suggest, a breach of this code. You must notify local management as soon as possible if you believe or suspect that a conflict with or breach of this code has occurred, or may occur in the future.

Any employee who breaches this Policy will face disciplinary action, which could result in immediate dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers or organizations if they breach this code.

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# EXHIBIT

**A Red Flags Over the years, enforcement agencies of governments have identified a number of “red flags” that may be indicative of an increased risk or a potential violation of anti-corruption laws (note, this list is not intended to be exhaustive):**

## **General Red Flags:**

- A Representative had an “improper payment” audit in the past five years.
- Certain countries have widespread corruption and/or a history of violations.
- Certain countries are in the news for the prevalence of payoffs, Bribes, or Kickbacks.

## **Transaction-Specific Red Flags:**

- A Representative refuses to certify that he will abide by LAURELCAP’s Anti-Corruption Policy.
- Close family or business ties of a Representative with a government official exist.
- A Representative has a bad business reputation. (It is important to document the good reputation and experience of the Representative engaged.)
- The Representative requires that his identity not be disclosed.
- The Representative lacks the facilities and staff to perform the required services.
- The Representative is inexperienced or new to the business.
- Odd requests that reasonably arouse suspicion are made by a Representative, for example, a request to backdate invoices.

## **Payment Request Red Flags:**

- A Representative requests a commission that is substantially above the going rate for similar work.
- A Representative makes requests for payment through artificial mechanisms, such as a numbered bank account in a third country.
- A Representative suggests over-invoicing or requests a check for more than the actual amount of expenses.
- A Representative suggests that checks be made out to “cash” or “bearer,” that payments be made in cash, or that bills be paid in some other anonymous form.
- Payment in a third country may be legitimate but can suggest a plan to divide the commission outside of government scrutiny.
- If a Representative requests an unusually large credit line for a customer, you should be suspicious, especially if the customer is new.
- Requests for unusual bonuses or extraordinary payments also are questionable.
- A Representative requests an unorthodox or substantial upfront payment.

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