ANTI-BRIBERY AND ANTI-MONEY LAUNDERING POLICY

(OUTSIDE REGULATED SECTOR)

Why it is important that all colleagues (and anyone working on our behalf) read and understand this policy:

- ✓ It sets out the responsibilities of the Company and those that work for us (and on our behalf) in observing and upholding our zero-tolerance position on bribery and corruption; and
- ✓ It provides information and guidance to those working for us on how to recognise and deal with bribery and corruption and other financial crime issues; and
- ✓ It sets out who you should contact if you have any concerns; and
- ✓ It sets out how to register any gifts/hospitality which you may be offered

Please be aware, that the prevention, detection and reporting of bribery is the responsibility of all colleagues. If you have any concerns or are in any doubt, please just speak to HR or your MD

1. Introduction

The Citation Group (the **Company**) recognises the damage that financial crime can cause and supports the objective to reduce the scope for financial crime. We are committed to acting fairly, professionally and with integrity in all our business dealings and relationships wherever we operate and will not tolerate any form of bribery or corruption, fraud, money laundering or other forms of financial crime.

We will uphold all laws relevant to countering bribery and corruption, and other applicable financial crime laws and regulations, in all the jurisdictions in which we operate. We will also implement and enforce effective systems to ensure compliance with such laws. In particular, we are required to comply with the Bribery Act 2010 (the **Bribery Act**) in respect of our conduct in the UK and overseas.

In the UK, bribery is punishable for individuals by up to 10 years' imprisonment and if we are found as a business to have taken part in bribery, then we could be found guilty of a criminal offence, face an unlimited fine, be excluded from tendering for public sector contracts and face severe damage to our reputation. We therefore take our legal responsibilities very seriously. As such, a breach of this policy will be considered as a

disciplinary matter and may be considered as gross misconduct giving grounds for dismissal. This policy forms an important part of our procedures to prevent bribery and corruption and to mitigate our exposure to financial crime.

If you have any doubt as to whether any conduct could amount to bribery, the matter should be referred to the divisional Managing Director who has overall responsibility for this policy. It is essential that you read this policy and comply with it at all times when carrying out activities on behalf of the Company.

2. Purpose and scope of this policy

The purpose of this policy is to:

- set out the responsibilities of the Company and those that work on its behalf in observing and upholding our zero-tolerance position on bribery and corruption; and
- provide information and guidance to those working for us on how to recognise and deal with bribery and corruption and other financial crime issues.

This policy applies to the Company as well as all persons working for us or on our behalf in any capacity, including employees at all levels (whether permanent, fixedterm or temporary), directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third party representatives and business partners, sponsors or any other person associated with us, wherever located.

3. Responsibility for this policy

The Group board 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 Managing Director in each business unit has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

The prevention, detection and reporting of bribery is the responsibility of all colleagues throughout the Company. Where knowledge or suspicion or reasonable grounds for suspicion exist, colleagues and anyone working with us and or on our behalf, should report these suspicions to the Managing Director (or in his/her absence to HR). Where a person is concerned that such reporting will not be taken seriously or will cause them to be penalised in some way or are otherwise uncomfortable, a report should be made under the whistleblowing procedure to HR or to the Group Board.

We are committed to ensuring that those working for us do not suffer any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. For these purposes, detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform your line manager, HR or the Managing Director immediately.

4. Risk assessment

We will perform an annual risk assessment of the bribery and corruption risks which affect our business and report this to the Board. Any key risks or significant changes shall be reported to the Group Board immediately. Senior management will be required to complete an annual bribery and corruption declaration confirming that this policy has been complied with by them and their business areas.

Similarly, any company policies on financial crime prevention procedures will be reviewed regularly as part of the Company's risk assessment procedures.

Annexed to this policy is a list of possible red flag scenarios that may arise during the course of you working for us and which may raise concerns under applicable anti-bribery laws. This list is not intended to be exhaustive and is for illustrative purposes only. However, you should review these policies and be mindful of similar situations while acting on behalf of the Company.

5. What is a bribe?

The Bribery Act makes it an offence to offer, promise, give or receive a bribe. The Bribery Act provides that where a person is found guilty of paying or receiving a bribe then they commit an offence and will be liable to imprisonment for up to 10 years.

Giving a bribe

The Bribery Act defines bribing a person in two ways:

(1) First, the offering, promising or giving of a financial or other advantage to another person intending by providing the advantage to induce a person to perform a relevant function improperly or to reward a person for the improper performance of such a function or activity.
This covers the situations where money, gifts, entertainment, hospitality or other advantage is offered to a person intending to induce a person to improperly perform a relevant function or activity or to reward a person for the improper performance of such a function or activity. In this circumstance, it does not matter if the person who is offered,

promised or given the financial or other advantage is the same person who is to perform the function improperly.

A relevant function or activity can relate to a person's public duties, private business, their employment or duties performed on behalf of an organisation, for example a company or partnership. All that is required is that the recipient of the bribe is acting in a position of trust, or is required to act in relation to that function in good faith or impartially. A person acts improperly where they act illegally, unethically or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust.

(2) Secondly, a bribe occurs where a person offers, promises or gives a financial or other advantage to another person in circumstances where the person offering, promising or giving the financial or other advantage knows or believes that the acceptance of an advantage would constitute the improper performance of a relevant function or activity. This covers circumstances, particularly when dealing with a person within particular sectors, where it is known or believed that a person is not allowed to be offered, promised or given money, gifts, entertainment, hospitality or other advantages but, irrespective of this, such financial or other advantages are still offered, promised or given to the person.

In either case, it does not matter if the offering, promising or giving of the financial or other advantage is direct to the person who it is intended to influence or through a third party.

Foreign public officials

The Bribery Act also makes it a specific offence to bribe a foreign public official. This covers offering, promising or giving a financial or other advantage to a foreign public official with the intent to obtain or retain business or an advantage in the conduct of business. Under UK law, any offer of an advantage to a foreign public official in connection with winning or retaining business could be treated as a bribe, even if nothing improper was intended. Therefore you must be very careful when dealing with public officials, in particular those in or from countries outside the UK.

In addition, facilitation payments are considered bribes under the Bribery Act. Facilitation payments are typically small payments made to low level government officials to secure or speed up a routine government or regulatory action. Accordingly, those subject to this policy must not give or offer facilitation payments. The only exception is where a failure to make such a payment creates a risk to life, a risk of serious injury or a risk to liberty, in which case the payment must be reported to the compliance manager as soon as reasonably practical, setting out in writing the circumstances in which the payment was made.

Receiving a bribe

The Bribery Act also makes it an offence to receive a bribe. Receiving a bribe can arise in various circumstances. For example, where a person requests, agrees to receive or accepts a financial or other advantage and intends that, as a result of this advantage, they will improperly perform a relevant function or activity, this will amount to a bribe. Further, where an improper performance has been conducted in anticipation of receiving a financial or other advantage or where a person is rewarded for the improper performance of a relevant function or activity, then this would also be considered a bribe.

Examples of bribery

A. Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.
This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential customer to accept your offer.

B. Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

C. Bribing a foreign official

You arrange for the business to pay an additional "grease" payment to a foreign official to speed up an administrative process.

The offence of bribing a foreign public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

6. What actions are prohibited?

In order to comply with the Bribery Act and our obligations under other applicable anti-bribery requirements, this policy prohibits:

- the offering, promising or giving, or the solicitation or acceptance, of any bribe, whether cash, gift, hospitality or other inducement
- to or from any person or company, wherever they are situated and whether they are a public official or body or private person or company
- by any person subject to this policy, whether an individual employee, agent or other person or body acting on behalf of the Company
- which is intended to gain any commercial, contractual, regulatory or other advantage for the company in any way which is illegal, unethical or encourages a third party to carry out a function improperly or impartially
- or in order to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

It is also not acceptable for you to threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy, or to engage in any other activity that might lead to a breach of this policy.

If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your line manager, HR or the Managing Directoras appropriate.

7. Gifts, hospitality, entertaining and promotions

This policy is not intended to prohibit legitimate activities, such as special promotions on products and services or corporate hospitality, which are considered to be incidental to the ordinary business of the Company. We allow both the giving and receiving of reasonable and proportionate gifts, hospitality and entertainment provided in the course of business and in good faith, for the purposes of:

- establishing or maintaining good business relationships;
- improving or maintaining our image or reputation; or
- marketing or presenting our products and/or services effectively.

We do not, however, allow the giving or receiving of any gifts, hospitality or entertaining which is intended to induce a person to perform a relevant function improperly or to reward a person for the improper performance of such a function or activity. Nor do we offer, promise or give gifts, hospitality or entertainment in circumstances where we know or believe that the person receiving the gift, hospitality or entertainment is not allowed to receive it.

In circumstances where you are offered a gift or invited to a hospitality or entertainment event, you should consider:

- why you have received the gift/entertainment; and
- if the person/organisation giving the gift or invitation expects anything from you in return.

If you feel uneasy or awkward about accepting such offers then you should discuss the appropriateness of the gift/invitation with your line manager.

Examples of inducements which should not be offered or accepted include cash, any object readily converted into cash, or any other object or hospitality of significant value.

Promotional gifts of low value (such as branded stationery) to or from existing customers, suppliers and business partners will usually be acceptable.

Individuals are required to register with the named Finance/HR person(s) (to be determined by the business unit MD) **details of any and all gifts and hospitality**, whether given or received, with an estimated value and to seek guidance from the named person(s) if in doubt about the suitability of any gift or hospitality.

Such items must be recorded in the Gifts and Hospitality Register, which is subject to inspection on a quarterly basis by the divisional MD/boards (and reported to Group Board for audit on an annual basis). For the purposes of clarification this does not necessarily mean that hospitality/gift cannot be given/received in appropriate circumstances, but it is

required to be recorded in the register. Records will be kept for 6 years in accordance with Company policy.

When giving or receiving gifts, hospitality or entertaining (which does not involve government or public sector officials) but where the value of the gifts, entertainment or hospitality is **£50 or more per individual or totals £100 or more annually, then it must be authorised by your line manager and either the business unit MD or the named person in finance/HR as determined** in your business area (please ask your MD if you are unsure).

The spending limits outlined above apply on a cumulative basis over a twelve month period. Therefore, if the same person gives or receives gifts or hospitality several times per year and when taken together these exceed the financial limits set out above, the same authorisation and registration requirements apply even if an individual gift orevent on its own does not meet the threshold.

Reimbursing a third party's legitimate expenses, or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable. Where we are reimbursing expenses, copies of receipts must be obtained so that we have a record of the specific expenses and can determine that these are reasonable.

Gifts to or from government or public sector officials or representatives, regardless of value, must always be approved by Divisional Managing Director and declared to the Group Ops Board before they can be accepted.

We appreciate that practice varies between countries/regions and what may be normal and acceptable in one location may not be in another. However, the Bribery Act prohibits any bribery or corruption that occurs on behalf of the Company's operations worldwide regardless of local cultures and practices. The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable.The intention behind it should always be considered. If a particular payment, gift or hospitality appears to be out of the ordinary or excessive, the reasons behind it must be reviewed and onsidered in the full context of the relationship.

8. Political and charitable donations and sponsorships

We do not make contributions to political parties or campaigns, or to other organisations or individuals involved in politics unless written consent is gained giving pre-approved by the Group Board. We will only make charitable donations that are legal and ethical under local laws and practices to ensure that charitable donations and sponsorship cannot be used to conceal bribery or corruption.

All charitable donations and sponsorship which are to be made by the Company must be submitted to divisional MD for approval by the Group Ops Board.

9. Anti-money laundering and suspicious transactions

All payments made to the Company, including any payments from our clients for the supply of goods or services, must be made by bank transfer or electronic payment method. We must not accept payments in cash. We may not in any circumstances accept cash payments.

It is important that we monitor the transactions coming in and out of our accounts to avoid the risk of fraudulent payments or one of our accounts being used for money laundering purposes.

If you suspect that there is not a legitimate reason for a payment that has been received, or if the payment appears to be unusual or unexpected, **this must be flagged immediately to the Finance Director** who will inform the divisional FD and potentially CFO if appropriate (if the business in which you work does not have an FD role, you should contact the divisional FD without delay). Suspicious activities might include:

- irregular purchasing patterns, including larger than usual purchase across our services and products, multiple purchases of the same service/product, a series of rapid orders from a new customer, or a change in behaviour from a regular client
- requests to place orders or set up payments outside our normal processes, whether in relation to payment, invoicing, servicing delivery and so on
- a lack of interest in the product/services, with the customer asking few questions on details
- delivery irregularities, for example if the buyer is unconcerned by delivery costs or asks for the goods to be shipped to an address overseas or that is different from the location on their website, letterhead or payment details, or
- receiving payment for more money than the invoiced amount.

While there may be a legitimate explanation for any of the above, it could also be an indication of fraud or money laundering. If in doubt, we should follow up by asking for more information.

Where the **Finance Director** receives any reports of suspicious or unusual financial activities, they shall investigate and advise on further action to be taken. Where the Finance Director considers that there is a risk of fraudulent or criminal activity on the part of a third party, they will involve the CFO and inform the Group Ops Board and determine whether it is necessary to report this to the relevant government authority (such as the UK National Crime Agency or equivalent).

10. Training and communications

This policy and any relevant guidance will be communicated to all individuals who work for us. Appropriate training on this policy will be provided as necessary, including training on induction for all colleagues (and persons working on our behalf)

Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

11. Record-keeping

We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. Gifts and hospitality payments must also be recorded in accordance with section 6 of this policy above. All accounts, invoices and other records relating to dealings with third parties, including suppliers and customers, should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

12. Breaches of this policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct. We may also terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

13. Our risk mitigation procedures

Under the Bribery Act, it is a defence for organisations accused of failing to prevent persons associated with them from committing bribery to have adequate prevention procedures in place. This policy forms part of the adequate procedures we have in place in order to prevent bribery and corruption. The UK government has published guidance on the types of measures that should be implemented in order to be able to rely on this defence. While there is no one-size-fits-all solution to prevent bribery and corruption, this guidance centres around six key principles, which are detailed below. We should keep these principles in mind in relation to all activities carried out on behalf of the Company and its subsidiaries, with a view to ensuring a culture across the business that complies with anti-bribery laws

and aims to prevent involvement in any activities that may constitute bribery or corruption offences.

The six principles of bribery prevention:

1. **Risk Assessment**. Bribery and corruption risk factors include jurisdiction, industry sector and the use of introducers/representatives.

2. **Top Level Commitment**. A compliant culture exists across the various companies, with zero tolerance to all forms of fraud and financial crime.

3. **Due Diligence**. All relationships are subject to review prior to any agreement being signed. Commission paid or received by us is based on results, and the relationship between the two can be easily seen and assessed.

4. **Clear, practical and accessible policies and procedures.** Including donations, hospitality and promotional expenses.

5. **Effective implementation**. The embedding of an anti-bribery culture.

6. **Monitoring and Review** (relating to financial controls). Accounts and records are all subject to regular checks with appropriate segregation of duties and approval procedures.

This Policy was approved on 7 February 2020 and signed by Chris Morris (CEO), Eloise Wann (CPO) and Linda Jodrell (CPO). It has been reviewed thereafter. Last review May 2024 by L Jodrell

A copy of the hand signed original is available upon request to Linda Jodrell.

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Annex 1: potential high risk scenarios and bribery and corruption "red flags"

The following is a list of possible bribery and corruption red flags that may arise while acting on behalf of the Company or its subsidiaries. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, you must report them promptly to your line manager, HR, the Finance Director or MD or otherwise as set out in our whistleblowing policy.

- You become aware that a third party engages in, or has been accused of engaging in, improper business practices.
- You learn that a third party has a reputation for paying bribes, for requiring that bribes are paid to them or for having a "special relationship" with government officials.
- A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us.
- A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business, or to another person's address (for example that of a freight forwarder or hotel).
- A third party requests an unexpected additional fee or commission to "facilitate" a service.
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or the provision of services.
- A third party requests that a payment is made to "overlook" potential legal violations.
- A third party requests that you provide employment or some other advantage to a friend or relative.
- You receive an invoice from a third party that appears to be non-standard or customised.
- A third party insists on the use of side letters or refuses to put terms agreed in

writing.

- You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
- A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- You are offered an unusually generous gift or offered lavish hospitality by a third party.