

ANTI-BRIBERY AND CORRUPTION POLICY

Objective and Scope. NavalSec is committed to doing business in an honest, prudent, and responsible manner and aims to ensure compliance with applicable Anti-Bribery and Corruption (AB&C) laws and regulations. The potential consequences of Bribery and Corruption include, but are not limited to, the following: harm to the social and economic growth of society at large. Engaging in Bribery and Corruption is irreconcilable with NavalSec's values and stance on sustainability.

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption.

What is Bribery. Bribery is the offering, promising, giving, transferring, authorisation of an exchange of; or (agreeing to) accepting, receiving, soliciting, or requesting anything of value to improperly induce, influence or to secure, obtain or retain an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Examples of bribery include, but are not limited to, providing anything of value to:

- (a) A public official with the intention to influence the public official in their formal capacity and to obtain or retain business or an advantage in the conduct of business;
- (b) To another person with the intention to induce that person to perform a function or activity improperly, or to reward the person for the improper performance of a function or activity;
- (c) Where the recipient knows or believes that accepting or requesting anything of value would in itself be an improper performance of their function;
- (d) Where the provider knows or believes that the recipient will conceal what has been given or offered from their employer, whereas they are required to disclose this information.

What is Corruption. Corruption is the abuse of a position of trust, influence or power for private gain, either by an individual or conducted by a larger organisation. Corruption entails a wide range of illegal actions where entrusted power is abused for personal gain, such as but not limited to:

- (a) Bribery;
- (b) Embezzlement of public or private funds;
- (c) Trading in influence;
- (d) Abuse of position or function;
- (e) Illicit enrichment, or;
- (f) Concealing or obstructing justice relating to offences listed above.

Public officials as well as companies or private persons can engage in corrupt behaviour. While corruption can occur everywhere, it is particularly prevalent in certain kinds of transactions (for example, when awarding public or private contracts or government licenses), in certain economic sectors, and in certain high-risk countries.

Applicability and Responsibility. This policy applies to all Parties ("you") having a contractual relationship with NavalSec or working on our behalf in any capacity, including your employees at all levels, 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 you, wherever located.

You are yourself responsible for complying with this policy. You are obligated to appoint a person (the compliance manager) at your organization to be responsible 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. Your management at all levels is responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

Facilitation payments and kickbacks. You must not make, and must not accept, facilitation payments or "kickbacks" of any kind.

- (a) Facilitation payments, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official).
- (b) Kickbacks are typically payments made in return for a business favour or advantage.

You must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by you or on your behalf, or that might suggest that such a payment will be made or accepted. If you or anyone acting on your behalf is asked to make a payment, you or the person acting on your behalf should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You or the person acting on the Party's behalf should always ask for a receipt which details the reason for the payment. If you or the person acting on your behalf has any suspicions, concerns or queries regarding a payment, those concerns should be raised with your compliance manager.

Gifts, hospitality and expenses. This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of:

- (a) establishing or maintaining good business relationships;
- (b) improving or maintaining our or your image or reputation; or
- (c) marketing or presenting our or your products and/or services effectively.

The giving and accepting of gifts is allowed if the following requirements are met:

- (a) it is 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 favours or benefits;
- (b) it is given in your name, not in the name of the person acting on your behalf, nor in our name;
- (c) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (d) it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value;
- (e) it is given openly, not secretly; and
- (f) it complies with any applicable local law.

Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable. Reimbursing a third party's expenses, or accepting an offer to reimburse your 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. Any gift, hospitality or payment shall in all circumstances be reasonable and justifiable. The intention behind it should always be considered. If in doubt, you shall always take a conservative approach.

Donations. You shall only make charitable donations that are legal and ethical under local laws and practices. You shall not make contributions to political parties or individuals.

Record-keeping. You must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. On our request, you must be able to declare all hospitality or gifts given or received during the last two years. If reimbursement of your expenses have been agreed in the agreement between yourself and us, you must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure. 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.

Responsibilities. You must ensure that you and the persons acting on your behalf read, understand and comply with this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all of you the persons acting on your behalf. You and any persons acting on your behalf are required to avoid any activity that might lead to, or suggest, a breach of this policy. You must notify your contact person at NavalSec as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

Protection. Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken. You shall commit to ensuring no one suffers 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. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

Training and communication. Training on this policy forms part of the induction process for all individuals who work for you, and you will need to provide regular training. A zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of your business relationship with them and as appropriate thereafter.

Breaches of this policy. You must take appropriate disciplinary action against any person acting on your behalf who breaches this policy. This could result in dismissal for misconduct or gross misconduct. We reserve the right to terminate our relationship with you if you breach this policy.