

Calnex Solutions plc

Anti-Bribery and Corruption Policy

1. Executive Summary

The Calnex Board is responsible for establishing this Global Anti-Bribery and Anti-Corruption Compliance Policy (the "Policy") for Calnex Solutions plc and its subsidiaries worldwide (together "Calnex" or the "Company") supported by an appropriate corporate culture led by the Board, which prohibits bribery and corruption involving Calnex employees or any business partners acting as agents or associates or in any similar capacity on behalf of Calnex ("Business Partners").

The policy explains the procedures through which Calnex can maintain its high ethical standards and protect its reputation against any allegations of bribery and corruption. Its successful implementation requires proactive adoption and compliance by each of its employees.

It will be communicated to all employees of Calnex, as well as Business Partners and other necessary individuals and entities. Those who work in areas within our business identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities.

This Policy applies to all Calnex employees, permanent and temporary, officers, consultants, contractors, casual workers and agency workers (collectively referred to as "Calnex personnel" in this policy) and, to the extent relevant, to its Business Partners. It extends to our businesses and transactions in all countries in which we and our Business Partners operate.

It is the responsibility of each Calnex employee to familiarise themselves with this Policy and ensure compliance with its terms. This Policy does not form part of any employee's contract of employment and Calnex may amend it at any time.

2. Introduction

It is Calnex's policy to conduct business in a legal, honest and ethical way and without the use of corrupt practices or acts of bribery to obtain an unfair advantage. Bribery and corruption harm the societies in which these acts are committed and prevents economic growth and development.

Bribery is a criminal offence in the countries in which Calnex operates and corrupt acts expose us and our employees to a risk of prosecution, fines and imprisonment, as well as endangering our corporate reputation. It is fundamental that Calnex ensures compliance with the relevant anti-corruption laws and regulations that apply across the various countries in which Calnex operates ("Global Anti-Corruption Laws").

The Calnex Board is responsible for this policy and has tasked management to design, operate and monitor bribery prevention procedures, and keeping these policies and procedures under regular review. They will be considered at least annually. The Board attaches the utmost importance to this policy and will apply a "zero tolerance" approach to acts of bribery and corruption by any of our employees or by business partners working on our behalf. Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in serious disciplinary sanctions, which could lead to dismissal of an employee or termination of our relationship with a Business Partner.

The Calnex CEO, supported by the CFO, has responsibility for implementing the 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. If Calnex personnel have any doubts as to whether their conduct is permissible, they must make contact with their relevant manager who in turn ensure that the CFO is fully aware of any guidance given.

3. What is 'bribery and corruption'?

Broadly, bribery is the offer, promise, giving, demanding or acceptance of a financial or other advantage as an inducement or reward for an action which is illegal, unethical or a breach of trust. For example, a bribe could be a promise of anything of value, the offer or receipt of any kickback, loan, fee, reward or other advantage or even the giving of donations or charitable aid – in any case where it is designed to exert improper influence (e.g. in the award of a sales contract).

Corruption, broadly, is the misuse of public office or power for private gain; or misuse of power or position outside the realm of government for private gain.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant.

The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve sales initiatives or promotions (e.g. in the award of a sales contract); or, it may simply involve the handling of administrative tasks such as licenses, customs, taxes or import/export matters by a public official. It does not matter whether the act of bribery is committed before or after the tendering or award of a contract or the completion of administrative task by a public official.

4. What does the law say about bribery and corruption?

Bribery and corrupt behaviour can be committed by:

- (a) an employee, officer or director;
- (b) any person acting on behalf of Calnex (e.g. our Business Partners); or
- (c) individuals and/or organisations where they authorise someone else to carry out these acts.

Bribery is a criminal offence in the countries in which Calnex operates and penalties can be severe. In the UK the Bribery Act 2010 not only makes bribery and corruption illegal, but also holds UK companies liable for failing to implement adequate procedures to prevent such acts by those working for the company or on its behalf, no matter where in the world the act takes place. In addition, current US legislation offers similar prohibitions and potential penalties and is enforced with vigour by the US authorities. It is therefore in all interests of all Calnex personnel, as well as those of Calnex, that they act with propriety at all times. Corrupt acts committed abroad, including those by our Business Partners, may well result in a prosecution at home.

5. Recognising and managing bribery and corruption risks

5.1 Gifts, entertainment and hospitality

Gifts, entertainment and hospitality includes the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in

connection with matters related to our business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence.

In order to evaluate what is "acceptable" the following questions are key:

- what is the intent? Is it to build a relationship or is it something else?
- how would this look if these details were on the front of the newspaper?
- what if the situation were to be reversed – would there be a double standard?

If any member of Calnex personnel finds it difficult to answer one of these questions, there may be a risk involved which could potentially damage Calnex's reputation and business and the action could well be unlawful and the Calnex personnel should discuss the situation with their head of department at the earliest opportunity.

Any hospitality, travel expense, gift or entertainment given to or received from a third party must have all the following characteristics. It must:

- comply with applicable local written laws and regulations;
- be provided in connection with a bona fide and legitimate business purpose, for example to help maintain cordial business relationships (e.g. in relation to attending a business event);
- not be intended to exert improper influence
- not be made in the expectation of reciprocity (i.e. to receive something in return)
- be intended to induce a person to act other than in good faith, with impartiality and/or in accordance with a position of trust;
- be reasonable and customary under the circumstances;
- be tasteful and commensurate with the accepted local customs; and
- be properly recorded and approved in accordance with this Policy.

Hospitality, third party travel expenses, gifts and entertainment require prior approval. If prior approval is not practically possible, ratification must be sought afterwards at the earliest opportunity. In all cases, the circumstances and purpose should be clearly stated on expense claims made following the Company's expenses policy.

As a general rule, Calnex employees and business partners should not provide gifts to or receive them from any third parties including Business Partners, customers, prospective customers or government official (or their close families and business associates). However, we do understand that in certain countries gift giving and receiving with these individuals is a cultural norm. If a member of Calnex personnel is faced with such a situation they must consult their head of department or the CFO before proceeding.

A variety of cultural factors such as customs, currency and expectations may influence the level of acceptability. If a member of Calnex personnel feels uncertain at any time regarding cultural acceptability of gifts, entertainment or hospitality, they must consult their head of department or the CFO. In addition, if an example does not fall under the above categories, Calnex personnel must in the first instance seek guidance from their head of department or the CFO. Generally, such examples would not be permissible without prior approval.

In addition, hospitality, travel expense, gift or entertainment given or received above £200 (or, if less individually, exceeds £200 in aggregate from the same or related source in any 12 month period) per

person for any individual must be approved in advance by email by the member of Calnex personnel's head of department, copying in the CFO.

Each sales region will be required to maintain and monitor its gifts, entertainment and hospitality register. Any form of gift, entertainment or hospitality given, received or offered falling into the approval categories listed above must be appropriately recorded in the register. In the event that an impermissible form of gift, entertainment or hospitality has been accepted, Calnex personnel must appropriately record the transaction within the register and contact the CFO immediately.

Under no circumstances should travel expenses be made:

- directly by cash payment to any individual;
- for expenses relating to family members or other individuals accompanying an individual unless prior written approval has been received from the Calnex CEO;
- for expenses relating to travel that are not directly related to the Company's facilities, products or services or for attending Company organised events, unless prior email approval has been received in accordance with the levels indicated above.

5.2 Facilitation payments

Facilitation Payments are payments made for the purpose of expediting or securing the performance of a Routine Governmental Action by a Governmental/Political Official. In many countries, it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process.

Although such payments are unlikely to arise given the nature of our business, we take the view that such facilitation payments are against this Policy and take the view that they are illegal within the UK as well as within those countries in which we operate. In particular, the UK Bribery Act 2010 makes no distinction between facilitation payments and bribes – regardless of size or local cultural expectations and even if that is “how business is done here”.

It should be noted, that certain government authorities may offer expediting services which are legal. However, in such case it is always in the responsibility of Calnex personnel to make sure that the service in question is standard and legal (e.g. by making sure that a proper and correct invoice has been received). In circumstances where a Governmental/Political Official demands a payment, this should be refused and reported as soon as possible to the CFO.

In the very rare case where a Governmental/Political Official demands a payment in connection with an immediate and credible threat to an employee's (or their family member's) physical safety or security the employee may make the payment as their safety is paramount to us, but they must (a) report the payment as soon as possible to the CFO; and (b) promptly document the nature of the threat in writing identifying any/all possible witnesses to said threat. Any such payments must be accurately described and recorded in the Company's books and records.

It is recognised that freight forwarders and customs brokers may pose a risk with respect to the making of facilitation payments to customs officials in certain countries to facilitate or expedite the passage of our goods. Our freight forwarders and customs brokers should be advised of the Company's zero tolerance policy on facilitation payments on its behalf.

If they are unsure whether certain payments which resemble the definition of facilitation payments are permissible, members of Calnex personnel should always seek clarification from their head of department or the CFO.

5.3 Charitable Donations, Sponsorships, and Political Contributions

Because of the potential risk of funds or something of value being diverted for an improper purpose, the Company requires that all requests for charitable donations or sponsorships are highlighted to Corporate Giving Committee headed by the HR manager, and all payments above £100 be approved in advance by email by the relevant head of department, copying in HR and the CFO.

Appropriate due diligence regarding the recipient entity, the proposed donation or sponsorship, and the permissibility of it under applicable law should be done to ensure that such donation or sponsorship is properly and transparently recorded with sufficient detail and documentation to support the transactions in the Company's expenses process and records.

Political donations or contributions by or on behalf of Calnex are not permitted.

5.4 Cash Advances

Cash payments to Customers, Agents, Business Partners or other parties are strictly prohibited.

Employees are encouraged to use their company credit card (if they have one), where possible. Foreign cash advances are made to cover everyday living expenses for that employee while on business travel (for example meals and taxis). In general, local expenses should be made and reclaimed through the expenses process.

6. Business Partners

Calnex operates its business with the help and assistance of Business Partners around the World. Business Partner can include agents, distributors, suppliers, resellers, strategic or channel partners or others who act on behalf of all who provide services to Calnex. These close working arrangements with Business Partners means that the behaviours of Business Partners can potentially present Calnex with significant risks when those activities on Calnex's behalf result in benefits for Calnex.

Therefore, Business Partners must be advised of the existence of, and, to the extent relevant, operate at all times in accordance with, this Policy. Business Partners must also act in accordance with Global Anti-Corruption Laws and best practice in each country in which those Business Partners operate. Where a Business Partner involves a third party in conducting its business for Calnex (such as a sub-agent, sub-representative, sub-consultant or any similar third party) it must identify these to Calnex's relationship lead and ensure that they are aware of this Policy and comply with it as if they were Business Partners.

Business Development Directors are responsible for the evaluation of each relationship and determines whether or not it falls into this category through:

- a risk assessment of each relationship; and
- due diligence of the Business Partner if required

Where risk is identified regarding a Business Partner or arrangement has been identified, the relevant Business Development Director, in conjunction with the relevant head of department and with support from the CFO, must:

- evaluate the background, experience and reputation of the Business Partner;
- understand the services to be provided, and methods of compensation payment;
- evaluate the business rationale for engaging the Business Partner;
- take reasonable steps to monitor the transactions of Business Partners appropriately;
- ensure there is a written agreement in place which acknowledges the Business Partners understanding and compliance with the Policy.

Where compliance issues have arisen in relation to a Business Partner, the CFO is required to formally approve the relationship with a Business Partner before any employee enters into or renews an agreement with such party. Approval of the CFO from a compliance perspective is also required for amendments to agreements with Business Partners that materially increase the compliance risks to the Company, and where an agreement is terminated because of a violation of this Policy.

7. Bribery Risk Assessment

The Company will maintain an assessment of the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by employees and Business Partners. The CFO will be responsible for the bribery risk assessment. This assessment will be formally documented and reviewed on an annual basis by the Board. This risk assessment will ensure that this Policy and our associated procedures remain proportionate to the bribery risks that we face as a company. As our business develops through new projects, opportunities and tenders, the project risk appraisal should specifically document the Company's consideration of any bribery risks identified and the specific measures to be taken to address these risks.

8. Compliance by Directors and Employees

8.1 Training of Personnel

The Company will provide training on this policy as part of the New Employee induction process. Update training will be performed at least once every two years on the Global Anti-Corruption Laws and this Policy for its directors, marketing, sales, financial, HR, procurement and other personnel considered at particular risk of exposure to issues.

8.2 New Hires

When a new director or employee is hired with responsibilities involving the functions listed above, the Company must check the individual's relevant background and seek appropriate references and disclosures. If any negative information is discovered through this process, the Calnex CEO must be advised of the information and must approve the candidate before the candidate may be hired.

8.3 System of Upstream Reporting

Any employee who suspects or knows of a violation of this Policy has the responsibility to report the matter at the earliest opportunity to either their line manager, head of department or the CFO.

8.4 Confidential Reporting

Any employee who is not comfortable with speaking directly to a colleague or anyone mentioned above should refer to our Whistleblowing Policy for guidance as to how they can report on a confidential basis.

8.5 Appropriate Response to Violations or failure to Comply

Calnex shall respond appropriately to any significant issue raised under this Policy or the procedures established by this Policy, or any weakness in its compliance program. An appropriate response to issues may include an independent investigation and potentially disciplinary action. Any weakness in the compliance program will be addressed by enhancing the Company's policies, procedures and controls.

8.6 Breach

Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct. Breach by a Business Partner may lead to summary termination of any relationship and the Company seeking financial recompense for any losses.

9. Record Keeping

To document compliance with the requirements of the Global Anti-Corruption Laws, a record of compliance must be maintained. Therefore, the Company will establish appropriate files of correspondence, training records and other documents that relate to compliance with or breaches of this Policy and the Global Anti-Corruption Laws which shall include due diligence information on Business Partners. Such files shall be retained in accordance with the policy determined by the CFO from time to time.

In accordance with this Policy, Calnex personnel must declare and keep a written record of all hospitality or gifts given or received, which will be subject to managerial review. Calnex personnel must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with the Company's expenses policy and record the reason for expenditure. All accounts, invoices, and other records relating to dealings with third parties including Business Partners and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

This Policy expressly prohibits the falsification of corporate books, records or accounts, and prohibits all officers, directors and employees from making false, misleading, or incomplete statements to any accountant in connection with any audit or examination of the Company's financial statements or the preparation of required reports.

10. Internal Controls, Monitoring and Board Reporting

Calnex is required to have and has sufficient internal controls for business reasons. Additionally, such internal controls aid in the detection and prevention of violations of Global Anti-Corruption Laws. Calnex will independently review and evaluate internal accounting and other controls on a regular basis to help assure compliance with established policies and procedures which will include consideration of global anti-corruption compliance, including compliance with this Policy.

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