



## CATHEDRAL GROUP ANTI CORRUPTION POLICY

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## PART 1: PROHIBITED ACTS

Certain practices such as corruption, influence peddling, extortion, expedition payment, and fraudulent documentation of records are prohibited. These practices, including basic rules against them, shall be addressed under this section and shall apply to;

- a. All directors and executives in Cathedral
- b. All Cathedral employees at all levels
- c. Third parties (clients, suppliers, consultants, subcontractors, and other relevant persons) that are interacting with a Group company.

### 1. CORRUPTION

Corruption, in whatsoever form it may be presented, will not be tolerated by the Group.

Generally, corruption can be defined as the tendering or receiving of anything, whether in cash or kind, to unfairly influence a decision-making process, or unduly gain or give an advantage. Even "a mere promise" to tender or give anything to unduly influence a decision-making process itself is usually sufficient to establish corruption in most jurisdictions.

Corruption can be done directly (by the parties themselves) or indirectly (through the instrumentality of a third party as an intermediary). Three categories of persons can be said to be a party to corrupt practices. The first is the person that demands or receives anything, which could be in form of monetary compensation, a revelation of confidential information, employment of relatives, or other conditions that such person considers "advantageous" in that circumstance. The second category is the person that gives or tenders anything aforementioned, including entertainment, sponsorship, and so on. The third category includes those that may have granted the authority or given the go-ahead to engage in the corrupt acts.

The tendering or receiving of anything can be done at any point. It can be done even after the undue advantage has been given in form of an award. An undue advantage could be in form of disclosing confidential information, preferential treatment, and so on.

Corruption may be engaged in by both public officials in the public sector and individuals in the private sector

#### **a. Corruption by public officials**

A public officer is generally known to be a person that occupies a position of authority granted by the state, including an employee of government authority (the legislative, executive, and judicial authority), a person who has been elected for the performance of public service, a person who works in an organization directed by the State, members of royalty, a person employed by a governmental organization at the international level, a political candidate and member of a political party, among many others.

Corrupt acts partaken by a public official involves the giving, tendering, demanding, or receiving of anything by a public official or his representative to unduly obtain a benefit, avoid a disadvantage, or to unjustly influence the public official to act contrary to his official duty or to refrain from doing his official duty. Such act of demand, receipt, or promise, as the case may be, could be done directly or indirectly.

Close family members of a public official will be treated as the "public official" himself in some instances, in pursuance of the Group Anti-Corruption Policy. Therefore, If a benefit or undue advantage is granted to such a family member, it would have the same effect as if the benefit had been tendered to the public official personally.

#### **b. Corruption by individuals in private sectors**

Corruption by individuals in private sectors contextually means the same thing as corruption by a public official except that here, it involves a person in the private sector rather than a public official. It also involves the giving, tendering, demanding, or receiving of anything by an individual in the private sector or his representative to unduly obtain a benefit, avoid a disadvantage, or unjustly influence a decision-making process. Such corruption is prohibited by law, and also by the Group Anti-Corruption Policy.

It could also be done directly by the parties, or indirectly through the instrumentality of a third party.

Corruption by both public officials and private persons is strongly condemned by the Group Anti-Corruption Policy.

## 2. INFLUENCE PEDDLING

Influence peddling is the tendering or giving of an undue compensation or benefit to another person, to make that person use his influence, administrative or public authority, for the undue advantage of the person giving the compensation or benefit, or for the undue advantage of some other person.

It involves a person soliciting or receiving any benefit, in cash or kind, which would, in turn, require him to use his influence unduly, to the effect that a benefit would accrue to the person from whom he receives such benefit, or to some other person as the case may be.

Corruption and influence peddling appear similar. The Italian State does not distinguish between the two. However, countries like Spain and France, including Brazil have distinguished between the two offenses under their respective laws. Influence peddling, whether explicit or implicit, is disallowed by our Group Anti-Corruption Policy regardless of the activity involved. It is also irrespective of the country involved.

### PRACTICAL SCENARIO

A bid is being made by the Ministry of Defence in a country in search of solutions to Artificial Intelligence, to which Cathedral plans to make an offer. While the procedure was being carried out, you are approached by a person who tells you that he knows the officials in charge of bid assessment and he has a way of influencing their decisions. He further tells you that he will point out the value of the offer that Cathedral intends to make and assures you that he will make sure the final decision is made in Cathedral's favor. He however bases this on a condition that you must provide him with some Formula One tickets. Otherwise, he will not do anything to induce the officials in charge to make a final decision in Cathedral's favor. What are you required to do?

The solicitation by the man is an act that constitutes an offense of influence-peddling since it is conditional on you giving him certain Formula One tickets, and such offer must be strongly

rejected. If you do not reject the offer and go ahead to fulfill the condition, then you may end up being a party to an offense of influence peddling. As long as the condition is to receive an undue advantage, it should not be fulfilled matter how easy the condition may be.

### **3. EXTORTION**

Extortion means obtaining something with the use of force, coercion, violence, the threat of violence, or intimidation. It involves the unlawful use of force, violence or intimidation by a person to compel another person to grant him an undue benefit. It could be in form of threats, blackmail, and so on.

Extortion is a type of Corruption and it is unlawful in most jurisdictions. Extorting or submitting to such extortion is prohibited by our group. Once the other person submits to the extortion and supplies whatever is being demanded, then such person also becomes a party to the extortion. Most countries recognize giving in to extortion as an offense.

#### **COUNTERING EXTORTION**

The prevalence of Extortion in companies is recognized locally and internationally to the extent that an anti-corruption tool called RESIST (Resisting Extortion and Solicitation in International Transactions) had been designed at the international level based on real-life scenarios to counter solicitation and extortion. It was created by the United Nations Global and Compact and the World Economic Forum Partnership against Corruption Initiatives, Transparency International, and the International Chamber of Commerce. Reference can be made to this tool for in-depth knowledge on how to deal with extortion.

It is important that if you are faced with any form of Extortion, you should be reported to your manager for advice and aid. You should also report to your local Ethics and Compliance Officer

#### **EXCEPTION**

Submitting to extortion will not be excused unless a person's life or security is threatened.

#### **PRACTICAL SCENARIO**

You have to provide the necessary facilities for work in Corporate Real Estate Services where you work. However, it is later discovered that there is an undue delay in the granting of the operational license, which was purposely delayed on the condition of making a payment or bribe in return and such delay will cost the company a lot of money. What should be done?

The undue delay for the granting of the license for a bribe is an act of extortion and it is prohibited in Cathedral to yield to such. If anyone employed in Cathedral resorts to paying bribes, such person can incur personal criminal liability, punishable with fines and imprisonment, even though the personal property of the employee was not at stake. Also, Cathedral could be heavily fined which could even be more than the total cost of the delay, suffer reputational damages, and be prevented from public procurement tenders.

#### **4. EXPEDITION PAYMENT**

Our policy considers any Expedition Payment a breach of the Anti-Corruption Policy, regardless of its legality under local laws.

Expedition payment is one made to hasten the carrying-out of a process or ease the approval or some activities or transaction like the issuance of a license for instance. It is a little sum of money paid to facilitate an activity that is meant to be carried out anyway for the person paying. Most jurisdictions consider such conduct unlawful.

#### **PRACTICAL SCENARIO**

1. You apply for a visa at the embassy for a business trip in China but as a result of the late fixing of the meeting, you are not able to apply in time. The business date is closer and chances are that if you eventually get the visa, the date would have passed. Then an employee at the embassy tells you to pay an additional sum to speed up the visa application process. Will such payment to hasten the Visa application amount to expedition payment?

In such circumstances, it will be an expedition payment. It would entitle you to the facilitation of the issuance of Visa over others that are entitled to the same and it is therefore prohibited.

2. You apply for a visa at the embassy for a business trip in China but as a result of the late fixing of the meeting, you are not able to apply in time. The business date is closer and

chances are that if you eventually get the visa, the date would have passed. If a system for hastening services with extra payment is provided in the service of the embassy to anyone who requires it, will making such payment to hasten the service be an expedition payment that is forbidden?

It will not be prohibited payment for expedition since the expedition service is authorized and approved by the embassy and available to anyone.

## **5. FRAUDULENT DOCUMENTATION OF RECORD**

Accurate recording keeping is pivotal in any entity and it is necessary to accurately follow the standards of accounting of the Group that has been depicted in TransFORM. Imputing false records to cover up an act of corruption is condemned by the group. Irrespective of the country involved or activity carried out. It is also disallowed to make fraudulent documentation of records to cover up an act of influence peddling, or similar fraudulent acts.

### **PRACTICAL SCENARIO**

You have been approached by a long-term friend of yours, who requires your help since you work in the department of accounting. Your friend, who works in the sales department, has been trying to impress a client. He learns that the client is a connoisseur of wine and intends to impress him with a bottle of wine worth thousands of euros. He was fully aware that the cost of the bottle of wine is more than the Cathedral gifts threshold but he hopes that the client will be impressed by the wine and that he will consequently win the deal. To cover this up, your long-term friend then implores you to write down the expense under a miscellaneous account? What should be done in such a situation?

It should never be agreed upon to cover up a gift. It must be properly documented in the expense reimbursement tool if any reimbursement is made directly to an employee for a gift. The Group gift policy is designed to avoid bribery. Therefore, your friend could be criminally responsible for bribery by trying to use the expensive wine to win a deal, and the effect of this is that he could be liable to punishment by paying a heavy fine and serving a term of imprisonment. You could also be treated as a party to the offense if you help in the concealment of the wine expense.

Such actions amount to a breach of our Group Anti-Corruption Policy which could cause an employee to be punished and, his employment service may even be terminated if such fraudulent documentation is made. Therefore, it must be avoided at all costs.

## **PART 2: PRACTICAL GUIDELINES TO AVOID THE RISK OF CORRUPTION**

Certain practices are widely accepted as appropriate in the corporate world. However, when the practices are done wrongly, they can be tainted with corruption. It is noteworthy that although all business-related situations that may be encountered at work are not contained in our Group Anti-Corruption Policy, the Policy should nevertheless be sufficient to provide guidelines for dealing with issues that you may face. Also, in case any aid is needed or if you have any questions, you can always report to your manager as well as your local Ethics and Compliance Officer.

This section addresses rules and requirements that must be adhered to, to prevent corruption in our Group. Approvals that should be secured to keep corruption in check are also addressed and this section shall apply to;

- a. All directors and executives in Cathedral
- b. All Cathedral employees at all levels
- c. Third parties (clients, suppliers, consultants, subcontractors, and other relevant persons) that are interacting with a Group Company.

### **1. HANDLING BUSINESS RELATIONSHIPS**

#### **Basic principles**

There are basic principles that must be met for every event sponsored and organized by Cathedral. Also, every meal, gift, entertainment, travel, and lodging that is given by Cathedral or received from third parties must be in accordance with the basic principles which are;

**COMPLIANCE.** it must not violate relevant laws and our Group Anti-Corruption Policy. It must also comply with the rules of the employer of the recipient.

**LEGITIMACY:** Any such event must be done in pursuance of a confirmable business reason that is legitimate.



**PURPOSE:** It must be carried out for the appropriate reasons that would not confer undue benefits or influence an action unjustly.

**APPROPRIATENESS:** The event as well as meal, gift, entertainment, travel, and lodging must be done for values that are reasonable and must be suitable to the position of the recipient. It must also be suitable to the particular occasion and other relevant circumstances as the case may be. It must be such that does not confer a sense of obligation and is not reasonably perceived as a bribe. It must not be given to a person or received from a person regularly.

**PUBLIC OFFICER:** The local Ethics and Compliance Officers must have earlier made clearance before any meal, gift, entertainment, travel, and lodging is to be given to a public officer. It should be noted that this is however forbidden by the laws of some countries.

**RECORD KEEPING:** There should be a reasonable and precise record-keeping of all expenses incurred in the books and records of the Group company

References have been laid down in the Group Travel and Expenses Policy, and before giving or receiving any meal, gift, entertainment, travel, or lodging that is more than the references, the basic principles must be adhered to, and adherence to them must be well-checked. It is also important to check that there is adherence with the additional conditions set out in this Group Anti-Corruption Policy.

Prior consultation with your manager is also important to be certain that there is a mutual agreement between both of you.

The threshold per country is stated in the Group Travel and Expenses Policy and if a claim of an expense is more than the threshold per country, then it may be rejected by your manager.

Consultation should be made to the Local Ethics and Compliance Officer if you have questions and reliance may be made on his written advice.

### **A receiver having the power to make a decision**

It is generally considered inappropriate to give or offer any entertainment or gift in a situation where the recipient has powers, whether direct or indirect, to make a decision (whether pending or anticipated) that affects the interest of the Group. In such a situation, extra caution

must be taken. Decisions (whether pending or anticipated) that can affect the interest of the Group are;

- I. Calls for tenders in the private or public sector
- II. Regulation or legislation changes, grant of a government subsidiary
- III. Commercial contract awards or extension

Any meal, gift, entertainment, travel, or lodging offered should be recorded in writing if you are uncertain or in doubt. In such invitation, it must be included that;

- I. There is an acknowledgment to the effect that there is a compliance of the offer with relevant laws, to the best knowledge of the Group entity
- II. The offer that is made is dependent on its adherence with the employer of the recipient's policies
- III. Verification of this is the duty of the employee of the recipient.

#### A. ENTERTAINMENT

To help in the development of an intimate relationship with suppliers and clients, entertainment events invitations are considered legitimate opportunities that can help in the development of intimacy with clients. On the other hand, impropriety appearance is one of the risks that the invitations may pose.

Entertainment events include events organized or sponsored by Cathedral, Sports games, Conferences and Seminars, concerts, and many more.

The giving or receiving of invitation to an entertainment event will be permitted if;

- I. There is compliance with the basic principles in Part 2 (1)
- II. There is the fulfillment of other requirements, which are as follows;
  - An employee of the group company should be present at the event.
  - It is required to utilize the External invitations and threshold per person set out in the Group Travel and Expenses Policy for valuation. However, it must be respected if the value that is allowed by the employer of the third party is not up to the value in our Group Travel and Expenses Policy.
  - The entertainment must be acceptable socially and legally.

The manager must approve an invitation to entertainment that is above the threshold in advance of extending the invitation. When you request to seek reimbursement after making payment for an invitation expense, and the claim for expense reimbursement has been approved, such approval may evidence the approval of the manager.

Consultation should be made to the Local Ethics and Compliance Officer if you have some questions and reliance may be made on his written advice.

### **PRACTICAL SCENARIO**

What should best be done in a situation where a supplier, during a call for tender requiring suppliers that you oversee, makes an invitation to you, to watch a tennis match at a reputable tournament?

Such invitation must be refused. If the supplier expects you to give an advantage in return, such as the revelation of confidential technical information, it may put you in a situation that may be perceived as corruption. It should be remembered that suppliers should have equal access to such the same information It may also put you in a situation involving conflict of interest.

Notification of this proposal must be given by you to your manager in writing and also discuss with your manager to determine the course of action that will be appropriate to take regarding the supplier.

### **B. MEALS**

It is not uncommon to do business over a meal, and meal offered or received will be permitted if;

- There is compliance with the basic principles in Part 2 (1)
- There is the fulfillment of other requirements, which are
  - I. The purpose of offering or accepting the meal is for a reason that is expressly connected with business
  - II. The value of the meal must be suitable to the position of the receiver and the domestic standard or relevant standards that apply to the working meal.

The manager must approve a meal that is above the threshold in advance of the group. When you request to seek reimbursement after making payment for a meal, and the claim for

expense reimbursement has been approved, such approval may evidence the approval of the manager.

It is required to utilize for valuation, threshold per country set out in the Group Travel and Expenses policy. However, it must be respected if the value that is allowed by the employer of the third party is lesser than the value in the Group Travel and Expenses Policy.

Consultation should be made to the Local Ethics and Compliance Officer if you have questions and reliance may be made on his written advice.

### **PRACTICAL SCENARIOS**

1. Can you proceed to organize a work meal with a client when, upon evaluation, you discover that the value of the meal per person is about twenty-five percent higher than your country's threshold set out in the Group's Travel and Expenses Policy, even though the basic principles in Part 2(1) and other requirements in this policy will be complied with?

Although reference is to be made to the threshold per country set out in our Group Travel and Expenses Policy, such reference will be of help in determining the extent of compliance with this Group Anti-Corruption policy. However, expense above the threshold per country may not violate the Group Anti-Corruption policy if it is suitable to the position of the recipient, the particular occasion, and other relevant circumstances.

To prevent the situation from appearing as if it were corruption, it would be helpful to document the event and state why it is justified in that instance. Consultation with your manager is also important to be certain that there is a mutual agreement between both of you regarding the assessment of compliance. The manager may not accept the expense claim if you fail to involve him or her ahead. The assessment of compliance could also be escalated to your Local Ethics and Compliance Officer if you have any questions.

2. You intend to gain more information of other bids made in a highly competitive request for proposal ("RFP"). You know one of the competitors and you wish to invite him for an unofficial chat over a meal. Would it be appropriate in this circumstance?

No, it will not be appropriate. You are not supposed to try to obtain information from a competitor that is not public information. It is important that while a request for proposal

("RFP") process is ongoing, a competitor should never be invited by you for a chat over a meal, neither should the competitor invite you. If the invitation is made by the competitor, you should reject it. The invitation is not appropriate because it could yield a situation of conflicting interest. In addition, it could also yield the risk of appearing like corruption

### **C. GIFTS**

While it may be permitted to accept gifts, no employee in Cathedral is permitted to ask for a gift. The acceptance of gifts is dependent upon the following conditions;

- There is compliance with the basic principles in Part 2 (1)
- There is the fulfillment of other requirements, which are;
  - I. The value of the gift should be nominal
  - II. The gift should be given to persons that are concerned in the business, and not to their relatives or friends
  - III. Cash or something identical to cash such as a gift card, should not be given or accepted as a gift

Regarding the value of the gift, it is required to utilize for valuation, the threshold per person set out in the Group Travel and Expenses Policy. However, it must be respected if the value that is allowed by the policies of the client is lesser than the value in the Group Travel and Expenses Policy.

The manager must approve any gift in advance. However, if the gift bears the logo of the company and other standard gifts that are not large, the manager's prior approval is not necessary. The approval of the expense claim by an employee may evidence the approval of the manager, in circumstances where the employee purchased the gifts directly on exceptional grounds.

Consultation should be made to the Local Ethics and Compliance Officer if you have questions and reliance may be made on his written advice.

## PRACTICAL SCENARIOS

1. In a situation whereby you were offered a gift, a watch for example, by a supplier. The watch bears the logo of the company of the supplier. Should the watch be accepted in this circumstance?

The value of the watch must be put into consideration. If the watch is highly valued, it must not be accepted. The gift must be revealed to the manager if the value of the gift exceeds the threshold per country set out in the Group Travel and Expenses policy. On the other hand, the watch can be accepted if it is a moderate watch of nominal value for advertising.

2. On a new year's celebration, you went on a trip to China for business purposes. No client has ever received any gift from you that was purchased by you since you recognize that our policy does not encourage gifts. However, the time of the year that you went on a business trip to China is where, based on the customs and traditions, a gift is given particularly to the younger ones. The gift is given by putting an amount of money called lucky money inside a red envelope. The gift could also be given by offering a basket of fruits like oranges. As a person that understands the significance of furnishing a gift, what can be done?

Again, the value of the gift should be considered; whether it is of nominal value (advertising and reminding objects that carries the logo or trademark of the Group such as a cup, pen, calendar, and so on) or otherwise, and whether is of moderate value (customary gifts like flowers, baskets of fruit and so on).

It would therefore be acceptable to provide a basket of oranges that is customary to the new year tradition. However, it would be a violation of this policy to give the envelope with the lucky money to a client or younger ones like their children. The following policies would be violated;

- I. Cash or something identical to cash such as a gift card, should not be given or accepted as a gift.
- II. The gift should be given to persons that are concerned in the business, and not to their relatives or friends.

## D. TRAVEL AND LODGING

There could be a necessity to make payment for the expenses covering the travel and lodging of third parties. This is limited, to circumstances such as a visit to the premises of Cathedral or an invitation to attend an event by Cathedral. This will be permitted if;

- There is compliance with the basic principles in Part 2 (1)
- There is the fulfillment of other requirements, which are
  - I. No expense for any side trip is included in the invitation
  - II. There must be reasonability of the journey's distance and the lodge's duration. It must also be suitable, reasonably proper, and for a legitimate business purpose.
  - III. The Group Travel and Expense Policy must be adhered to.
  - IV. Where the expense for the travel and lodging is to be paid for a public official in circumstances that are allowed legally, the service providers (such as the hotel, the agency of the public official) are to be paid directly.
  - V. It must be provided only to persons that are concerned in the business. Their relatives and friends are exempted.
  - VI. The expenses should not exceed more than what would have been spent to travel to the same destination by a Group Company employee occupying a similar status.

Where a third-party expense for Travel and Expense is involved, the approval of the manager is required. Such approval must be given in advance.

There must be compliance with the principles mentioned above if the travel and lodging are to be received from third parties.

Consultation should be made to the Local Ethics and Compliance Officer if you have questions and reliance may be made on his written advice.

## PRACTICAL SCENARIO

You intend to arrange for the flight and accommodation for a visit to a Cathedral Indian delivery center which was requested by your client. You also intend to include a touring trip in the visit. However, you are not certain about who should make payments for the expenses of the visits, flight, and accommodation you intend to arrange. Would it be appropriate to organize such a visit?

Caution should be exercised concerning the arrangements for flight and accommodation, although organizing a visit to facilities belonging to Cathedral is not an issue.

### E. SPONSORSHIPS, MARKETING, AND SALES EVENTS

It is a business practice that is legitimate to organize sponsorships, marketing, and sales events. Such events must be moderate and reasonably proper. Otherwise, it would constitute a form of corruption and bribery, which is forbidden by law, and prohibited by the Group Anti-Corruption Policy.

Cathedral sponsors or organizes two categories of events which are

i. Business-related events

These are events such as Conferences, trade show or an exhibit, which gives Cathedral the opportunity to increase the visibility of its brand, and also the opportunity to display Cathedral's capabilities to the market (Clients, Prospects, and Partners). They are business promotional events that relate to our business directly. The events are large scale which combines personal selling and business to business advertising, and includes;

1. Cathedral client events that we organize
2. Events organized by our business partners (For example Dreamforce) in which Cathedral is participating as a sponsor
3. A sector or industry event, such as European Utility Week, Mobile World Congress in which Cathedral is participating as a sponsor.

ii. Non-business related events

They are organized or sponsored by giving money, goods, and services. The sponsoring or organizing of these events that are not business-related is usually done to promote the



Cathedral Group or Cathedral Brand (For instance, the presence of our brand at the event or on the media in return for the sponsorship). The opportunity to develop legitimate intimacy with partners, suppliers, or clients is given by these events. Also, in the talent market, the events showcase our attractiveness even if they are not related to the business directly. The events may include;

1. Events organized by Cathedral Marketing and Communications, Sales, CSR or HR department, relating to Culture, Sports or Public Relation.
2. Events organized by a Sport, Cultural, Educational, or Institutional Organization, which is sponsored by Cathedral.

The events contribute to the visibility of the Group and also to the Promotion and Advertising strategy of the Group even though they do not relate directly to business.

As further depicted below in section 2 (2), donations that can be given to a charity foundation should be distinguished from Sponsorship, Marketing, and Sales.

No events must be organized or sponsored by any employee or any person acting on behalf of Cathedral except

- There is compliance with the basic principles in Part 2 (1)
- There is the fulfillment of other requirements, which are

## PRACTICAL SCENARIO

If a relative has the duty to conduct business with Cathedral, and the business is to be conducted in the area of work where business decisions can be influenced by you. What should be done in such a situation? This situation can be illustrated by the following instances;

1. Where you are required by your manager to join the review team and take part in the evaluation of all bids submitted by suppliers, and a supplier of Cathedral, whom a relative works for, has also submitted a proposal.
2. Where you are required by your manager to join the bid team and convince a client to do business with us. Your relative works for the same client

Once you become aware of these situations, they must be immediately reported to your manager. Steps will be taken by the manager to determine whether there will be a requirement for further action. The general principle is that having the authority to influence decision-making concerning a relationship is inappropriate. Your Local Ethics and Compliance Officer should be contacted if clarification is needed by you.

## 2. LOBBYING

Lobbying is an activity, done with the intention to have a public decision influenced, particularly a regulatory act or the content of the law. In France and some other countries, lobbying is defined by law, it is subject to strict ethical rules and if some conditions are satisfied, it must be declared in a public registry.

Unless there is approval by the CEO of the Group, lobbying is prohibited. There must be transparency and compliance with the relevant law where exceptional lobbying activities are carried out in the interest of the Group.

## 3. DUE DILIGENCE IN RESPECT OF THIRD PARTIES

From the perspective of anti-corruption, the risk of corruption may also be presented by third parties. For example,

Solicitation of a bribe could be done by a client

A part of suppliers and intermediaries' fee could be used as a bribe on behalf of Cathedral, even without us being informed

A conflict of interest may arise where a person that Cathedral wants to influence is owned by a third party or associated with the third party

It must be ensured by employees who are in charge of engaging with, or hiring third parties (be it intermediaries, clients, or suppliers. For example, Consultant, subcontractors, and other providers of goods and services) that a strong reputation for business integrity and also the requisite qualifications are possessed by the third party.

Regarding risks of corruption that a third party potentially raises, the third-party evaluation procedures are designed to be in proportion to the risks as pointed out in the Group Anti-Corruption mapping which is periodically revised. The threat of corruption varies across

- Jurisdictions
- Business sectors
- Third parties
- The nature of the relationship with a third party, including the complexity and scale of transactions, and potential corruption red flags being identified.

The level of due diligence carried out is designed to put into account these factors.

Third parties are required to be vetted in line with the Group Third-Parties Anti-Corruption and Trade Sanction Due Diligence Policy.

## PRACTICAL SCENARIOS

1. What must be done if you intend to hire Y as a supplier? Client due diligence in accordance with the procedure must be conducted by you  
A request for proposal ("RFP") is launched by W in Malaysia for which you want to bid? How can you go about it? Client due diligence in accordance with the procedure must be carried out by you.
2. Working in the sales team, you are in search of ways for gaining new business in a certain sector. Mr. Y, who is a popular businessman in this area, approached you. He tells you that for a "finder's fee" (percentage of new sales), he can help you gain new clients? How can you go about this?

Every third party must be vetted in accordance with the Group Third Party Anti-Corruption and Due Diligence Policy, in addition to compliance with the Blue Book Rules on Sales Consultants and Agents. It will be read that unless there is approval by the Group Review Board, Sales Agents are prohibited. Also, Sales Consultants that are retained on a fixed fee basis are perceived as high risk and must go through evaluation through Enhanced Due Diligence.

The requirements of reporting and monitoring Sales Consultants and Sales Agents will also be provided in our Group Third Party Anti-Corruption and Trade Sanction Due Diligence Policy.

3. What should be done in a situation where you have been informed by a potential client that you won a request for proposal ("RFP")? It is subject to the use of certain companies or individual X on the project as a sub-contractor.

Such a condition is to be considered a red flag, although there may be a business purpose that is legitimate for the request of a sub-contractor for an engagement. The absence of conflict of interest and the legitimate reason of the business must be established and must also be documented. Consultation should be made to your Local Ethics and Compliance Officer if there is no clarity as to the reason, or if there is any doubt. For additional guidelines, the Third Party Anti-Corruption and Trade Sanctions Due Diligence Policy should be referred to.

4. Should the third party due diligence be completed, where a donation has been identified by a business leader, which it would like to make to a reputable foundation?

The third-party due diligence has to be completed. Every third party must be vetted by the Group Third Party Anti-Corruption and Due Diligence Policy in addition to compliance with the Group Anti-Corruption Policy (section 2.2 on Charitable Donation). You will find that the recipients of charitable donations are perceived as high risk and must pass through evaluation by an enhanced Due Diligence. Relevant guidelines on monitoring of third parties and the periodical review of due diligence will also be seen.

#### **4. JOINT VENTURES, CONSORTIUMS, AND MERGERS & ACQUISITION**

These are strategic transactions representing important liability risk of corrupt practices. The liability of Group Companies extends to corrupt practices done by joint venture or consortium partners, including companies that have been acquired by a Group company.

Before or immediately after entering into a joint venture, consortium, merger, or acquisition, the appropriate anti-corruption due diligence should be applied to partners and target companies.

The Mergers and Acquisition due diligence procedures and consortium guidelines should be referred to.