



Anti-Bribery and Anti-Corruption Policy

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Contents

| | | |
|-----------|---|----------|
| 1 | INTRODUCTION..... | 4 |
| 2 | PURPOSE..... | 4 |
| 3 | COVERAGE | 4 |
| 3.1 | DEFINITIONS | 4 |
| 4 | CLAUSES COVERED UNDER THE POLICY | 5 |
| 4.1 | BRIBES AND KICKBACKS | 5 |
| 4.2 | FACILITATION PAYMENTS | 5 |
| 4.3 | PUBLIC OFFICIALS | 6 |
| 4.4 | GIFTS, HOSPITALITY AND EXPENSES..... | 6 |
| 4.5 | PERSONAL CONFLICTS OF INTEREST | 7 |
| 4.6 | CHARITABLE DONATIONS..... | 7 |
| 4.7 | POLITICAL ACTIVITIES..... | 7 |
| 4.8 | BUSINESS RELATIONSHIPS..... | 7 |
| 5 | TRAINING | 7 |
| 6 | AUTHORITY AND RESPONSIBILITY..... | 8 |
| 6.1 | LOCATION AND LINE MANAGERS | 8 |
| 6.2 | ALL NEXTGEN CLEARING'S EMPLOYEES..... | 8 |
| 7 | NON-COMPLIANCE..... | 8 |
| 7.1 | COMPANY | 8 |
| 7.2 | EMPLOYEES | 8 |
| 8 | MONITORING | 9 |
| 9 | RELEVANT LEGISLATION..... | 9 |
| 10 | SYNOPSIS | 9 |



1 Introduction

This document defines Nextgen Clearing's (the "**Company**") policy on the avoidance of bribery and corruption. It has the endorsement of the company's leadership and will be regularly reviewed by the IMS team to ensure that it reflects any changes in applicable laws and developments in acceptable standards for the conduct of business. Nextgen Clearing is committed to maintaining the highest ethical standards and vigorously enforces the integrity of its business practices wherever it operates throughout the world. Nextgen Clearing will not engage in bribery or corruption.

2 PURPOSE

Adherence to the clear guidelines set out in this policy will ensure that the company and its employees comply with anti-bribery and anti-corruption laws and governmental guidance. The policy reflects the Leadership's wish to embed a culture of best practice in anti-bribery and anti-corruption measures, and enforcement of the policy will reduce the risk that the company or any employee will incur any criminal liability or reputational damage. Nextgen Clearing's staff are expected to use their judgement not just to avoid malpractice but to promote good practice.

3 COVERAGE

This Policy applies to all the Employees of the Company. **Employee** shall mean all individuals on full-time or part-time employment with the Company, with permanent, probationary, trainee, retainer, temporary or contractual appointment.

3.1 Definitions

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| Business integrity | Business integrity involves the application of the Company's core values. The opposite of integrity is dishonest behaviour, including corruption that could undermine Nextgen Clearing's reputation for fair dealing. |
| Bribery | Bribery, in broad terms, is the receiving or offering of undue reward or anything of value and includes payments to secure a business advantage, financial or otherwise, to which the Company is not entitled. Anything of value can be a bribe, including a gift in kind or some other favour such as an offer of employment to a relative of the person being bribed. It will involve the giver and the receiver in the improper performance of a personal, Company or official responsibility. |
| Corruption | Corruption can include graft, bribery, facilitation payments or other forms of improper business practice. It has the same attributes as set out under Bribery above. It can be summarised as the misuse of entrusted power or office, whether in the public or private sector, for private gain. |



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| Kickbacks | Kickbacks arise when suppliers or service providers pay part of their fees to the individuals who give them the contract or some other business advantage. |
| Facilitation payments | Facilitation payments are small bribes to officials with a view to speeding up routine governmental transactions to which the payer is already entitled. Examples include payments to speed up customs clearances and extra fees to officials to secure electricity connections. |
| Location and Line Managers | Location Managers in various hubs across the globe and Line Managers directly responsible for staff members. |

4 CLAUSES COVERED UNDER THE POLICY

4.1 Bribes and kickbacks

The Company does not take part in acts of corruption, or pay bribes or receive kickbacks either directly or indirectly.

The Company prohibits its employees from engaging in acts of corruption, and from paying bribes or kickbacks to, or accepting bribes or kickbacks from, public officials and private individuals such as the personnel of companies with which the Company does business.

A typical example of indirect bribery would be a case where a company employs a commercial agent to help it win a contract. The agent is paid by commission based on a percentage of the contract fee, and part of that commission is passed on to a company official. The Company does not tolerate such practices in any form or wherever paid.

It is the responsibility of all employees who are involved at any time in engaging the services of external consultants, suppliers or advisers to ensure that such individuals are made aware of the content of the Company's Anti-Bribery and Anti-Corruption policy at the outset of the relationship and on a regular basis thereafter.

4.2 Facilitation payments

The Company and its employees will not make facilitation payments even if such payments are local practice or custom. The Company accepts that refusal to make illicit payments may lead to commercial delays, for example, in the processing of commercial papers, and that there may be a commercial cost to the Company attributable to this policy.

If Company employees encounter a demand for a facilitation payment, or think they are likely to do so, they should report the situation to their line manager without delay. Line managers will then ensure that the CEO is informed at the earliest possible opportunity.

The Company recognises that demands for facilitation payments are often backed by a form of extortion and that in exceptional circumstances resistance may not be



feasible. An extreme example would be a demand for payment to secure an emergency admission into hospital. In such circumstances, the Company accepts that staff will need to use their best judgement. Staff must report any incident where they feel forced to make a facilitation payment to their line manager at the earliest opportunity. The Company will stand by employees who find themselves placed in exceptional situations provided that the employee has provided absolute transparency as to the circumstances surrounding a payment shortly after the incident has occurred.

4.3 Public officials

Bribing or corrupting a public official is a serious offence, can carry severe penalties and can cause significant reputational damage. This policy provides detailed guidelines on gifts and hospitality. Approval must be secured in advance in relation to gifts or benefits received from or offered to public officials, particularly the giving of anything of value to a public official. Offers of internships to government officials or employees of state-owned enterprises must be approved in advance by the Head of People and Culture and the CEO.

4.4 Gifts, hospitality and expenses

As a general policy, the Company does not believe that giving and receiving gifts is appropriate to the efficient conduct of its business. There are, however, limited exceptions to this policy.

Any employee who is given a gift of any sort by a business contact (e.g. customer, supplier etc. actual or potential) must disclose the fact of the gift and its nature to his or her immediate superior.

If the Company decides that the gift might constitute a bribe or other inducement, the employee will be required to give the gift to his or her manager, who will return it to the donor with a suitable covering letter.

In other instances, the employee will be required to return the gift to the donor with a polite note explaining the Company policy.

In exceptional cases, for example, where the Company decides that the gift was made as a token of the donor's gratitude for a service carried out to very high standards, the recipient will be allowed to retain the gift.

Promotional gifts such as stationery, which are not of significant value, are exempt from this policy and need not be disclosed. However, employees are reminded that, since such gifts are sent only to a limited number of employees, they should be distributed to other members of staff where appropriate.

Failure to disclose gifts will constitute a disciplinary offence which will be handled in accordance with the Company's formal disciplinary procedure. If the gift in question was of significant value and, for example, the recipient is in a position to influence business dealings with the donor, the offence will be treated as gross misconduct.



4.5 Personal conflicts of interest

Company employees must avoid situations or transactions in which their personal interests could conflict or might be seen to be in conflict with the interests of the Company. This includes: acting on any client information gained through their employment with the Company for personal gain; passing such information to a third party; or acting in any way that could be construed as insider trading.

Conflicts of interest can arise if individuals have a personal interest in business dealings involving the Company. Personal interest can be direct or indirect, and refers not only to personal interests but to those of family members and friends. If there is a potential for conflict, the interests of the Company must take priority. Employees must disclose any personal conflict of interest or perceived conflict to their line manager.

4.6 Charitable donations

As part of its Corporate Social Responsibility Program, the Company may support local charities or provide sponsorship, for example, to sporting or cultural events. Any such sponsorship must be transparent and properly documented. The Company will only provide donations to organisations that serve a legitimate public purpose, and which are themselves subject to high standards of transparency and accountability. Appropriate due diligence must be conducted on the proposed recipient charity and a full understanding obtained as to its bona fides.

4.7 Political activities

The Company has a policy of strict political neutrality; it does not make donations to any political parties, organisations, or individuals engaged in politics. The Company will co-operate with governments and other official bodies in the development of policy and legislation that may affect its legitimate business interests, or where it has specialist expertise.

Employees are entitled to their own political views and activities, but they may not use Company premises or equipment to promote those views or associate their views with those of the Company.

4.8 Business relationships

The Company expects its business partners to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this policy. This requirement applies to agents, subcontractors and joint venture partners. In cases where the Company is unable to ensure these standards, it will reconsider the business relationship.

5 Training

The Company will make this policy available on the Company's intranet for all employees. An e-learning programme that encompasses the principles and approach to bribery and corruption adopted by the Company will be made available



to all employees and each employee will be required to confirm that he/she has undertaken the course within six months of its initial introduction or within six months of the employee joining the Company.

Regular training will be made available to all business units in relation to anti-bribery and anti-corruption measures, and the details of the Company's whistleblowing procedures will be disseminated throughout the Company on a regular basis.

6 Authority and Responsibility

6.1 Location and Line Managers

- If in any doubt about the application of this policy refer to Head of Compliance or People and Culture Manager.

6.2 All Nextgen Clearing's employees

- Seek advice from their line manager in cases of uncertainty about how to apply this policy.
- Consult their line manager if they suspect that a Company employee is engaged in bribery, corruption, fraud or any other unacceptable or unethical conduct.
- Consult People and Culture Manager in confidence if they suspect that a Company employee is engaged in bribery, corruption, fraud or any other unacceptable or unethical conduct and are unable to speak to their line manager.

7 Non-Compliance

7.1 Company

Failure to ensure compliance with this policy could lead to the following consequences for the Company:

- Criminal or civil liabilities for the Company including unlimited fines and imprisonment;
- Serious reputational damage including media comment;
- Debarment from tendering for public sector contracts, and
- The unenforceability of contracts entered into as a result of acts of bribery, fraud or other illegality

7.2 Employees

Failure to ensure compliance with this policy could lead to the following consequences for employees:

- Personal criminal liability followed by fines or imprisonment;
- Disciplinary action initiated by the Company, including dismissal;
- Personal reputational damage.



8 Monitoring

The Head of Compliance, Internal Auditor and/or People and Culture Manager will, at regular intervals, make arrangements for audit of compliance with this policy on an office and department basis, and will include the results of such audits in reports to the management team.

9 Relevant legislation

All national laws relating to bribery and corruption, especially such laws that are in place in jurisdictions where Nextgen Clearing has an office(s) or carries out its work, are of importance to the Company. In setting out the principles included in this policy particular attention has been paid to the requirements of:

- The UK Bribery Act 2010 which entered into effect on 1 July 2011 and which has extra-territorial reach. The holding company for the Group is registered in the UK, and this law has particular relevance to the manner in which the Company conducts itself.
- The Foreign and Corrupt Practices Act 1977 (FCPA). This Act is in effect in the US, and is directed at companies listed on the US markets. It assumes extra-territorial effect. Adherence to its requirements is mandatory for many of the Company's clients and its requirements are fully adopted by the Company.

Note: Nextgen Clearing has adopted its principle in relation to facilitation payments from the requirements of the UK Bribery Act 2010 rather than the FCPA.

10 Synopsis

The Company and its employees are:

- Prohibited from offering, promising or paying a bribe of any kind;
- Prohibited from soliciting, accepting or receiving a bribe of any kind;
- Prohibited from giving or offering anything of value to a public official;
- Required to comply with the Company's guidelines and authorisation levels in relation to the giving and receipt of gifts and hospitality;
- Prohibited from making facilitation payments; and
- Required to complete due diligence into all agents, representatives, subcontractors, suppliers, contractors, joint venture partners and all those with whom a business relationship is established in order to enable the Company to offer its services to its clients.