

## ANTI-BRIBERY & CORRUPTION POLICY

### 1. INTRODUCTION

Verus Petroleum's policy is to maintain the highest level of ethical standards in the conduct of its business affairs and has a zero tolerance of bribery and corruption. This is not only a cultural commitment on the part of the company, it is a moral issue and a legal requirement. Bribery is a criminal offence and corrupt acts expose Verus Petroleum and its employees to the risk of prosecution, fines and imprisonment, as well as endangering the company's reputation.

Verus Petroleum's zero tolerance of bribery and corruption applies to all managers and employees as well as any agents, contractors, representatives or other parties acting on behalf of the company, and will, where appropriate, include clauses to this effect in relevant contracts.

The company's Compliance Officer in respect of Anti-Bribery and Corruption is the Finance Director.

### 2. WHAT IS A BRIBE?

Verus Petroleum defines a bribe as the offer, promise, giving, accepting or soliciting of a payment or benefit to a person intended as a reward or inducement to act contrary to the proper exercise of their duty, good faith or impartiality. In the business world, bribes are generally used to obtain, retain or direct business. This may involve sales processes, such as tendering and contracting, or it may involve the handling of administrative tasks such as licences, customs, taxes or import/export matters. A bribe could be:

- the direct or indirect promise, offering, or authorisation, of anything of value;
- the offer or receipt of any kickback, loan, fee, reward or other advantage; or
- the giving of aid, donations or voting designed to exert improper influence.

### 3. THE LAW

The Bribery Act 2010 has updated and enhanced UK law on bribery and is now among the strictest legislation internationally on bribery. It applies not only to UK companies, but also to persons associated with the company. There are four types of offences under the Bribery Act, as follows:

- bribing another person;
- being bribed;
- bribing foreign public officials; and
- failure of commercial organisations to prevent bribery.

Bribery is a criminal offence and carries criminal penalties. Where a company is convicted of an offence the person who acted, their line manager (if the person acted with the consent or connivance of the line manager) and the company can all be punished. For an individual this can be up to 10 years imprisonment and an unlimited fine. For a company this can be an unlimited fine.

## 4. THE POLICY

Verus Petroleum prohibits: the offering, the giving, the solicitation or the acceptance of any bribe, whether cash 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 individual employee, agent or other person or body acting on Verus Petroleum's behalf *in order to* gain any commercial, contractual or regulatory advantage for the Verus Petroleum in a way which is unethical or *in order to* gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual. This prohibits any inducement which results in a personal gain or advantage to the recipient, or any person or body associated with them, and which is intended to influence them to take action which may not be solely in the interests of Verus Petroleum, or of the person or body employing them or whom they represent. Inevitably, determining whether something is a bribe or not may not always be easy. The Anti-Bribery and Corruption Policy and Procedure contains procedures and guidance to deal with situations where there is a risk of bribery and also details of who to contact should you have any concerns or doubts.

## 5. RECORD KEEPING

Verus Petroleum must ensure the maintenance of accurate books, records and financial reporting within all of Verus Petroleum's departments and for all third-party representatives working on our behalf. All assets, liabilities, revenues, expenses, accounts, invoices, memoranda and other documents and records must be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off-book" in order to facilitate or conceal improper payments. The Compliance Officer shall maintain a Gifts and Hospitality Register of all gifts and hospitality received from, and given to, third parties by Verus Petroleum's staff (see Gifts and Hospitality Policy and Procedure for further details).

## 6. FACILITATION PAYMENTS

These are payments used by businesses or individuals to secure or expedite the performance of a routine or necessary action to which the payer has a legal or other entitlement. Such payments are bribes and as such are prohibited. If an employee is asked to make a payment on the company's behalf, they should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. The employee should always ask for a receipt which details the reason for the payment. If the employee has any suspicions, concerns or queries regarding a payment, they should raise these with the Compliance Officer.

## 7. GIFTS & HOSPITALITY

Detailed guidance on what are acceptable gifts and hospitality is provided in our Gifts & Hospitality Policy & Procedure.

## 8. POLITICAL CONTRIBUTIONS

Verus Petroleum 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 the company's legitimate business interests, or where the company 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. The appointment of any politician or former politician as a consultant, employee or Director of Verus Petroleum requires approval by the board and is subject to applicable laws.

If Verus Petroleum does use a politician or former politician as a consultant, then the Compliance Officer shall review the appointment to ensure that it will not create a conflict of interest for the consultant and that any fees paid are appropriate for the work undertaken.

## 9. TRADING IN INFLUENCE

Trading in influence is a concept from the European Council Criminal Law Convention on Corruption from 1999. Trading in influence is accordingly made a criminal offence under many applicable anti-corruption laws. Verus Petroleum prohibits the offering or giving of an improper advantage to a third party in exchange for this person trying to influence the conduct of someone else. If the company ever engages lobbyists or agents to influence a public office or political decisions, certain precautions must be made, namely:

- attempt to identify any links between the lobbyist/agent and a politically exposed person;
- the lobbyist or agent must be open about his assignment for the company in contact with the decision makers;
- the fee must be reasonable based on the service provided by the lobbyist or agent.

## 10. CHARITABLE CONTRIBUTIONS & SPONSORSHIPS

As part of its corporate citizenship activities, Verus Petroleum 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 make charitable donations that are legal under UK law to organisations that serve a legitimate public purpose, and which are themselves subject to high standards of transparency and accountability and the Compliance Officer will monitor and maintain records of any such donations.

## 11. DEALINGS WITH THIRD PARTIES

Verus Petroleum could be liable for the acts of people that act on the company's behalf. This includes agents, distributors, suppliers, contractors and joint venture partners (together referred to as "third parties"). As such, the company is committed to promoting compliance with effective anti-bribery and corruption policies by all third parties acting on behalf of Verus Petroleum. All third parties shall be required to adhere to the company's Anti-Bribery and Corruption Policy and a copy shall be provided to them. All arrangements with third parties should be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures in relation to bribery and corruption, together with sanctions in the event of a breach of this policy, including permitting Verus Petroleum to immediately terminate the contract. The company will not engage any third party who the company knows, or reasonably suspects, of engaging in bribery. Appropriate due diligence should be undertaken before any third parties are engaged. The appropriate level of due diligence will vary depending on the circumstances and on a case by case basis. The Compliance Officer shall maintain a register of our agents, which shall include details of the agent and of the relationship together with details of the due diligence carried out.

## 12. EMPLOYMENT PROVISIONS

All new employees shall be made aware of their requirement to comply with Verus Petroleum's Anti-Bribery and Corruption Policy and with the Gifts and Hospitality Policy, with it being emphasised that breach of either of these policies is a disciplinary offence that could result in summary dismissal on grounds of gross misconduct.

### **13. RISK ASSESSMENTS**

The Finance Director is responsible for performing a yearly assessment of the external bribery risks related to the business operations. The risk assessment must, as a minimum, cover country risk, business partnership risk, and transaction risk.

### **14. IMPLEMENTATION & TRAINING**

All employees must attend training on anti-corruption, and it is the responsibility of the Finance Director to oversee the training efforts within the company. The frequency and amount of training will be based on the results of the risk assessment. Certain departments and functions may require more extensive training than is required for employees in general.

### **15. REPORTING PROCEDURES**

It is the responsibility of each employee to comply with both the letter and the spirit of the Anti-Bribery and Corruption Policy. If an employee becomes aware of any conduct that he/she believes may violate this policy, the employee must report the activity by following the company's Whistleblowing Policy and Procedure. Verus Petroleum recognises that employees may not always feel comfortable about going through a formal process, but we would encourage any employee to use the Whistleblowing Policy. Alternatively, the Compliance Officer can be contacted. Any reports or concerns raised to the Compliance Officer via the Whistleblowing Policy are entirely confidential and all reports are taken seriously and investigated, where appropriate. No employee is discriminated against in any way as a result of reporting a concern in good faith.

### **16. MONITORING, AUDIT & REVIEW**

The Compliance Officer shall devise and implement any internal control procedures deemed necessary and will, at regular intervals, make arrangements for audit of compliance with this policy, and will include the results of such audits in reports to the board of directors, highlighting deficiencies and serious matters, together with corrective action taken. The Compliance Officer shall also update the Anti-Bribery and Corruption Policy and procedure to reflect changes in the company's business or environment and conduct analysis of incidents and violations of the policy. Ultimate responsibility for overseeing the implementation and review of the Anti-Bribery and Corruption Policy and Procedure lies with the board of directors. If the company becomes aware of an allegation or incident of bribery, legal advice shall be sought.