



CaribX (UK) Limited's Policy on anti corruption and anti bribery.

CARIBX (UK) Limited and all its subsidiaries (CaribX Honduras Oil & Gas SA de CV, CaribX Nicaragua Oil & Gas SA de CV, "CARIBX") has zero tolerance for bribery and corruption and will not tolerate these behaviours. The Bribery Act 2010 makes it a criminal offence to offer, promise or provide, or request or accept a bribe both in the United Kingdom and in the jurisdictions where CARIBX (UK) operates. It is also an offence to fail to prevent an incident of bribery committed either by CARIBX (UK) or by someone associated with it in order to obtain or retain a business advantage. CARIBX (UK)'s Board fully endorses this policy.

Strategy

1. All contractors will be required to acknowledge CARIBX's Policy on Corruption and Bribery and where appropriate contracts will include provisions ensuring adherence to the provisions of the Bribery Act 2011 and allied legislation.
2. Mr C J Matchette–Downes will act as Compliance Officer for the purposes of the Bribery Act 2010.
3. Day to day matters
 - 3.1 All activities and transactions must be recorded accurately, completely and transparently and records kept in accordance with normal business practice (*eg emails, accounts, copies of contracts and agreements*).
 - 3.2 Appropriate due diligence and risk mitigation procedures must be looked into prior to proceeding with any contract or other arrangement and a note made of any such consideration.
 - 3.3 Clear and careful reviews of unusual scenarios must be made and if you are unsure how to proceed then contact the Compliance Officer.
 - 3.4 Any suspected or actual breaches of this policy must be accurately and promptly reported to the Compliance Officer.
 - 3.5 Guidance is set out in 5 below under "Guidance for staff and consultants."
 - 3.6 This policy will be set out on the company's website.
4. Compliance Officer
 - 4.1 The Compliance Officer will set up and manage a Suspicious Activities Register which will be a permanent confidential record of all reports of suspicious activities. The Suspicious Activities Register will be kept securely.
 - 4.2 The Suspicious Activities Register will be reviewed on an annual basis by the Compliance Officer and a report made to the Board of CARIBX on an annual basis.
 - 4.3 The Compliance Officer will request its staff and contractors to report on a six monthly basis on whether there has been any activity which is of concern in relation to corruption and bribery.
 - 4.4 This policy will be monitored on an ad hoc basis by the Compliance Officer to ensure that it remains fit for purpose and relevant updates are made. A permanent written record of monitoring and review shall be kept.



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5. Guidance note for staff, consultants and contractors

5.1 The Bribery Act 2010 reforms the criminal law to provide a new, modern and comprehensive scheme of bribery offences that will enable courts and prosecutors to respond more effectively to bribery at home or abroad. <http://www.justice.gov.uk/publications/bribery-act.htm>

1. Bribery offences

The Act creates four offences:

- A general offence covering offering, promising or giving a bribe.
- A general offence covering requesting, agreeing to receive or accepting a bribe.
- A specific offence of bribing a foreign public official to obtain or retain business.
- A new strict liability offence for commercial organisations where they fail to prevent bribery by those acting on their behalf.

2. Criminal penalties for those found guilty on prosecution

- Jail sentence up to 10 years and fines for individuals.
- Unlimited fines for companies

Fines are likely to be substantial. A recent judgment in the Crown Court against a company that had bribed foreign public officials stated that fines for corruption should be in the tens of millions or more. No guidance has yet been given on the amount which is seen as appropriate.

3. Scope of the Act

Who is likely to be affected?

All members of staff whether temporary or permanent, all agents, contractors, consultants and intermediaries whether or not they are based in the United Kingdom.

What locations are affected?

Wherever CARIBX (UK) operates in the world the Act will be in force. It is important to be aware that even where bribery may be seen as part of the way business is done or as a “local practice” it must be clear that CARIBX (UK) Limited will not participate in or condone any form of bribery.

4. Risk areas for CARIBX (UK) Limited

- **Corporate hospitality and gifts:** There is a risk that corporate hospitality, such as customer or

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supplier entertainment, and the giving or receiving of gifts might be seen as bribery, particularly in dealings with foreign public officials, excessive hospitality or gifts must be avoided.

□ **Facilitation payments:** These are payments demanded by officials (or others) just to ensure or speed up the performance of their ordinary duties (e.g. the grant of an exploration permit, allowing goods to enter a country etc. These can be seen as standard arrangements in some jurisdictions, but the making of such payments, even if the payment is not of high value, will be an offence under the Act.

□ **US legislation** - Foreign Corrupt Practices Act 1977 provides an exemption for such facilitation payment provided they are not unlawful in the relevant jurisdiction, but The Bribery Act 2010 is clear that these payments are unlawful for UK purposes. So whilst you may not be prosecuted under US Law for making “grease” payments the door remains open for a UK prosecution under the Bribery Act.

Examples of corruption and bribery:

The Ministry of Justice at <http://www.justice.gov.uk/downloads/guidance/making-reviewing-law/bribery-act-2010-guidance.pdf> sets out guidance. The list of examples below is not exhaustive.

- Offering or giving anything of value to a public official (or their representative) to induce or reward them for acting improperly in the course of their public responsibilities.
- Permitting anyone to offer or pay bribes or make facilitation payments on behalf of CARIBX or do anything else CARIBX would not be permitted to do itself.
- Provision of excessive hospitality by or on behalf of CARIBX for public officials.
- Offering or accepting gifts or hospitality, where this might impair objective judgement, improperly influence a decision or create a sense of obligation, or if there is a risk it could be misconstrued or misinterpreted
- Authorisation of, making, tolerating or encouraging, or inviting or accepting, any improper payments in order to obtain retain or improve business.

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