

# ANTI BRIBERY AND CORRUPTION POLICY

(ADOPTED BY THE BOARDS OF BOWLEVEN PLC AND EUROIL LIMITED ON 30 JUNE 2011)



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## Introduction

*“As a result of corruption, private mansions are being built instead of bridges; swimming pools are dug instead of irrigation systems; funds destined to run hospitals and buy medicines find their way into the pockets of corrupt officials; economic growth is held back; and public trust in government is undermined.”*

OECD ‘Curbing Corruption in Public Procurement’

This Policy sets out the ethical and legal standards of conduct which are required to be adhered to by all employees of Bowleven plc (“Bowleven”) and its subsidiaries, including EurOil Limited (together referred to in this Policy as “the Group”). This Policy also extends to our dealings with contractors and consultants and to their dealings with third parties when they are acting on our behalf.

The Boards of EurOil and Bowleven are committed to maintaining high ethical standards in the Group’s dealings with our business partners, including foreign governments and their State owned enterprises, our joint venture partners and also generally with everyone with whom we have business dealings.

As a recipient of this Policy, we would urge you to read it. If after having done so you have any concerns about the probity or propriety of the activities of any employee of the Group, or the activities of anyone acting on our behalf I would ask that you consider voicing your concerns by following the procedures set out in our whistle blowing policy.

## **1. POLICY STATEMENT**

- 1.1 It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter bribery and corruption.
- 1.2 We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws of the UK, including the UK Bribery Act 2010 in respect of our conduct both in the UK and abroad, including, in particular, the Republic of Cameroon.
- 1.3 The purpose of this policy is to:
- (a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
  - (b) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- 1.4 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine and, no doubt also face damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.5 We operate in an industry which is perceived to have a high incidence of bribery and corruption and in the Republic of Cameroon where there is a high perception of bribery and corruption. In 2016 Cameroon was ranked 145<sup>th</sup> out of 176 countries in terms of perceived corruption (with no.1 being perceived as least corrupt, 176 most corrupt) – see [www.transparency.org](http://www.transparency.org).
- 1.6 Following an internal risk assessment, we have identified that our dealings, directly and indirectly, with the Cameroon Government authorities, including specifically the Customs Authorities, the Military (Army & Navy), the Police, various Ministries with whom we interact and also the Cameroon State Oil Company, Societe Nationale des Hydrocarbures are or could be considered to be, particular risks for our business.
- 1.7 To address those risks, we have, amongst other things, detailed due diligence procedures which will be carried out in respect of all third party contractors acting

on our behalf who have any interaction on our behalf with any Cameroon Government Authority.

- 1.8 We incorporate standard anti-corruption warranties and undertakings in all of our operating contracts.
- 1.9 We have a practice of self-certification by all Group employees and contractors confirming that they have received, read and understood our Anti Bribery Policies. This is complimented by an ongoing anti-corruption training programme for all Group employees and also for those of our contractors who have any contact with public officials on our behalf.
- 1.10 In this policy, “**third party**” means any individual or organisation you come into contact with during the course of your work for us, and includes contractors, suppliers, advisers acting on our behalf, and government and public bodies, including their advisors, politicians and political parties.

## 2. **WHO IS COVERED BY THE POLICY?**

This policy applies to **all** individuals working at **all** levels within the Group, including the Chairman of the Board of directors, all Group employees (whether permanent or temporary), consultants, contractors, or any other person associated with us, or their employees, wherever located (collectively referred to as “**workers**” in this policy).

## 3. **WHAT IS BRIBERY?**

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

### **Examples:**

#### **Offering a bribe/Bribing a government official**

You agree to make a payment of say, US\$500, to a customs official who has agreed to speed up the usual administrative process of clearing our goods through customs. Or, you approve payment to a freight forwarding agent who makes the payment on EurOil’s behalf and you approve the re-imbursement of that payment in their invoice to EurOil.

This would be an offence of (1) bribery and (2) bribing a foreign government official under the new UK Bribery Act and that would be the case whether the

payment was made direct by a EurOil employee or by an agent acting on our behalf. Any director or employee of the Group who approved or condoned the payment of the bribe could also be guilty of an offence under the UK Bribery Act.

In addition, if the UK courts are of the view that the Group did not do enough to prevent the bribery taking place, Bowleven could be guilty of the corporate offence of “failing to prevent bribery” under the Bribery Act which could lead to a fine being imposed on Bowleven and serious reputational damage. Directors and other senior officers can potentially also be fined and/or face jail. It is also a criminal offence under Cameroon law for the Customs’ official to have accepted the offer of a bribe from us/our agent.

#### **Receiving a bribe**

The local manager of the Real Estate company which owns and leases office space in downtown Douala with whom EurOil are negotiating a 3 year lease of additional office space offers you US\$100 per month for 3 years provided that you use your influence in EurOil to get EurOil to commit to the inflated rent proposed by him and to pay the entire rent in advance.

It would be an offence under the UK Bribery Act for you to accept the payment.

#### **4. GIFTS AND HOSPITALITY**

- 4.1 This policy does **not** prohibit normal and appropriate hospitality (given and received) to or from third parties.
- 4.2 The giving or receipt of gifts is not prohibited, provided the following requirements are met:
- (a) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits (that would constitute a bribe);
  - (b) it complies with Cameroonian Law;
  - (c) it is given in EurOil’/Bowleven’s name, not in your name;
  - (d) it does not include cash;

- (e) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time. For example, it is accepted that in Cameroon it is customary for small gifts to be exchanged at Christmas time, including to Government Ministries and other officials. However, gifts or hospitality should never be lavish or extraordinary;
  - (f) it is appropriate in the circumstances; and
  - (g) it is given openly, not secretly and is properly recorded in the company's Gifts Register.
- 4.3 The practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.
- 4.4 **All gifts given or received with a value of over £200/FCFA 150,000 per gift must be properly recorded in the Gift Register.**
- 4.5 Hospitality given, or received, with a cost over £200/FCFA150,000 per incidence (i.e. in the case of a lunch, where the total bill is over £200/FCFA150,000) must also duly recorded in the Hospitality Register.
- 4.6 Details of hospitality at TCMs and other formal meetings with Cameroon Government Officials must also be recorded in the Hospitality Register.
- 4.7 The Gifts Register and Hospitality Register will be subject to periodic review and it will be an offence, which may result in your dismissal for gross misconduct, if you fail to declare gifts given or received or hospitality given or received which falls within the above guidelines for disclosure.

## 5. **WHAT IS NOT ACCEPTABLE?**

It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure (for instance customs clearance);

- (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

## **6. FACILITATION PAYMENTS AND KICKBACKS**

- 6.1 We do not pay, and we will not condone the payment on our behalf of, facilitation payments or "kickbacks" of any kind.
- 6.2 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Chief Executive Officer.

## **7. POLITICAL AND CHARITABLE DONATIONS**

- 7.1 We do not make any contributions to political parties.
- 7.2 We do occasionally make charitable donations but these must be legal and ethical under Cameroon law and are never made in an attempt to influence any decision or to gain a business advantage.

## **8. BACKGROUND CHECKS ON CONTRACTORS**

- 8.1 It is essential that we know who we are doing business with and that we are satisfied that they are bona fide businesses capable of delivering the goods and services contracted in an ethical manner. For this reason, we will carry out due diligence enquiries into the background of some contractors. This may include requesting that they complete a background questionnaire answering queries about ownership, financial matters and trading references. More detailed queries may also be undertaken and further assurances sought where the contractor is likely to have any dealings with Cameroon Government officials on our behalf. As a general rule, most contracts with third parties will also include standard anti corruption



warranties and undertakings, including an undertaking to comply with this Policy in their dealings on our behalf. If we are not able, for whatever reason, to obtain satisfactory assurances about a potential business partner then we will not be able to conduct any business with them.

## **9. YOUR RESPONSIBILITIES**

- 9.1 You must ensure that you read, understand and comply with this Policy.
- 9.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Bowleven Group, including contractors under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this Policy.
- 9.3 You must notify the Chief Executive Officer as soon as possible if you believe or suspect that a conflict with this policy has occurred. "Red flags" that may indicate bribery or corruption are set out in Part 1 of the Schedule.
- 9.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers if they breach this policy.

## **10. RECORD-KEEPING**

- 10.1 We are obliged to keep financial records and have appropriate internal controls in place which evidence the business reason for making payments to third parties. **For this reason, invoices and receipts must be kept evidencing all expenditure.**
- 10.2 You must ensure that all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and that they specifically record the reason for the expenditure. The Gifts Registers and Hospitality Registers must also be kept up to date and will be subject to periodic audit to ensure compliance. Copies of the Gifts and Hospitality Registers will be maintained in both Douala and London.
- 10.3 All accounts, invoices and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off-book" to facilitate or conceal improper payments.

## **11. HOW TO RAISE A CONCERN**

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Chief Executive Officer. Concerns should be reported by following the procedure set out in our Whistleblowing Policy. A copy of our Whistleblowing Policy can be obtained from your line manager. Eli Chahin, Chief Executive Officer can be contacted by calling 0131 524 5678.

## **12. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION**

It is important that you tell the Chief Executive Officer as soon as possible if you are offered a bribe by a third party, or you are asked to make one, or you suspect that this may happen in the future, or you believe that you are a victim of another form of unlawful activity.

## **13. PROTECTION**

13.1 Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

13.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Chief Executive Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found in the Employee Handbook, a copy of which can be obtained on request from your line manager.

## **14. TRAINING AND COMMUNICATION**

14.1 Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this policy.

- 14.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

**15. WHO IS RESPONSIBLE FOR THE POLICY?**

- 15.1 The board of directors of Bowleven plc has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it. This Policy has been approved by the Boards of Directors of both Bowleven plc and EurOil Limited.

- 15.2 Bowleven's Chief Executive Officer has primary day-to-day responsibility for implementing this policy and dealing with any queries on its interpretation. The Board of Bowleven is responsible for monitoring the Policy's use and effectiveness. Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

**16. MONITORING AND REVIEW**

- 16.1 The Board of directors of Bowleven plc will monitor the effectiveness and will review the implementation of this policy regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

- 16.2 All workers are required to provide, on request, a Certificate of Compliance in the form set out in Part 2 of the Schedule or an acceptable explanation for any failure or refusal to do so. **Refusal without a satisfactory explanation is grounds for instant dismissal for gross misconduct and may also result in your being reported to the Police.** Certificates of Compliance will be requested from workers at least once a year.

- 16.3 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

- 16.4 Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to Bowleven's Chief Executive Officer.

- 16.5 This policy does not form part of any employee's contract of employment and it may be amended at any time.

## The Schedule

### **PART 1 - POTENTIAL RISK SCENARIOS: "RED FLAGS"**

The following is a list of possible red flags that may arise during the course of working for us. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report your concerns promptly to Bowleven's Chief Executive Officer using the procedure set out in the whistleblowing policy:

#### **1. Payment Red Flags**

- (a) You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided or you have concerns that no service has in fact been provided.
- (b) A request for payment in cash is made.
- (c) A request for a payment in advance or partial-payment immediately prior to a procurement/licensing etc negotiation or decision.
- (d) A request for an unusual or substantial upfront payment or success bonus.
- (e) A request for payment to jurisdictions other than the country where the services, and the underlying contract, are performed or where the third party has its principal place of business. Be particularly careful of any requests for payment to offshore bank accounts without legitimate reason (such as for tax purposes which may be a legitimate reason) and always investigate these further.
- (f) A request to increase the commission/amount payable during the course of active negotiations with a government agency.
- (g) An invoiced amount that exceeds the agreed upon amount or reflects undocumented expenses or expenses of an unreasonable amount or kind.
- (h) The third party with whom we are contracting has undisclosed principals, associates or subcontractors with whom it splits fees.
- (i) The third party requests the payment of "admin" fees or fees for "express" or "expedited" services to Customs or some other public official.
- (j) The third party is known to provide extravagant entertainment, lavish gifts, and expensive hospitality to foreign officials, political leaders or their families in their own country or elsewhere.

#### **2. Appointment**

- (a) Apparent lack of qualifications or resources on the part of the third party to perform the services proposed to be performed.
- (b) The Contractor has a business that seems understaffed, ill-equipped or inconveniently located to carry out the required activities.
- (c) Contractor refuses to complete Bowleven's or EurOil's Due Diligence Questionnaire or does so incompletely or falsely.

- (d) Contractor identifies a business reference who declines to respond to the questions or who provides an evasive response.
- (e) Ownership and control of contractor company is obscure and incapable of verification.
- (f) Contractor's publicly disclosed turnover in their financial reports is inconsistent with the level of fees proposed to be charged to Bowleven or EurOil.

### **3. Relationship with public officials**

- (a) The third party (or an employee etc) is a government official or is a company owned in whole or in part by a government official or relative of a government official.
- (b) The third party (or an employee etc) has a family member in a public position, particularly if the family member works in a decision-making position or is a high-ranking official in a relevant Ministry or any other Government department that is relevant to the services to be performed.
- (c) Requests by a government decision maker to use the services of a specific third party.

### **4. Other**

- (a) Lack of transparency/poor documentation in expenses or accounting records.
- (b) The third party refuses access to its books and records when this is reasonably requested.
- (c) The third party wants to keep normal commercial information secret, such as his engagement or commission.
- (d) The third party displays ignorance or indifference to bribery/corruptions issues.
- (e) A third party requests that you provide employment or some other advantage to a friend or relative.
- (f) A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.

## The Schedule

## PART 2 - BOWLEVEN ANTI BRIBERY & CORRUPTION COMPLIANCE CERTIFICATE

I hereby certify that I have received, read and understood Bowleven's Anti Bribery & Corruption Policy approved by the Board on 30 June 2011 ("the Policy").

I further certify that I have complied with the provisions of the Policy and in particular that I have not offered, paid, or promised to pay money nor offered, given or promised to give anything of value to any official or employee of the Government of the Republic of Cameroon and/or any other Government (or its armed forces), or any agency or state owned company, any official of a political party or party official or candidate for political office (for the purposes of this Certificate collectively called a 'Public Official'), or to any person, while knowing or being aware of a high probability that any such money or thing of value will be offered, paid, given or promised, directly or indirectly, to a Public Official, for the purposes of:-

1. influencing any act or decision of such Public Official in their official capacity, or inducing such Public Official to use their influence with the Government of the Republic of Cameroon and/or any other Government to affect or influence any act or decision of such Government; or
2. assisting Bowleven Plc and/or any of its subsidiary companies (the “Group”) in obtaining or retaining business for or with, or directing business to any company within the Group; or
3. securing any improper advantage.

And I also undertake that I will not do any such things in the future.

Dated this       day of                      20[ ]

Signed: .....

Name: .....