

INTERNAL USE ONLY



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**ANTI-BRIBERY ANTI-CORRUPTION  
AND  
ANTI-FINANCIAL CRIMES  
POLICY (ABC)**

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This document addresses the Anti-Bribery, Anti-Corruption and Anti-Financial Crimes Policy (collectively, the “**ABC Policies**”) of 24X Bermuda Holdings LLC (Parent), including its subsidiaries and affiliates (collectively, “**24 Exchange**” or the “**Company**”). The ABC Policies are the sole property of the Company and should an Employee’s association with the Company terminate for any reason or no reason the ABC Policies must be returned to the Company. The contents of these ABC Policies are confidential and proprietary. Employees and other Staff and/or Third Parties (as such terms are defined below) may not reproduce, duplicate, copy, or make extracts from or abstracts of these policies and procedures in these ABC Policies or otherwise make it available in any form to Third Parties without prior written approval.

A declaration by Staff must be executed acknowledging awareness and review of these ABC Policies.

## **1. Application**

- 1.1 These ABC Policies apply to all existing and operating subsidiaries as well as any future subsidiaries of 24X Bermuda Holdings LLC (as applicable). It also applies to all individuals working for 24 Exchange at all levels and grades, including Managers, Directors, Executives, Senior Managers, Officers, Employees and consultants, whether permanent, fixed-term, at-will, or temporary, pupils or trainees (together, **Staff**) as well as consultants, contractors, service providers, seconded staff, homeworkers, casual workers, temporary and agency staff, volunteers, interns or students and agents (together, **Third Parties**).
- 1.2 These ABC Policies and the notion of 24 Exchange’s zero-tolerance approach to bribery, corruption and financial crime should be communicated to Third Parties who are required to acknowledge these ABC Policies and to work within its four-corners without exception.

## **2. General Information**

- 2.1 24 Exchange prohibits the payment or acceptance of all bribes, other improper payments and any other form of corruption or financial crime and it is the responsibility of all Staff and Third Parties to ensure that 24 Exchange does not engage in practices which infringe legal or regulatory requirements or which fall below the highest standards of ethical business conduct.
- 2.2 All Staff as well as Third Parties are required to act professionally, fairly and with integrity in all business dealings and relationships wherever 24 Exchange operates.
- 2.3 There are very severe consequences for 24 Exchange if bribery or any other financial crime laws are seen to have been violated. A zero-tolerance approach to bribery, corruption and financial crime is adopted as a result. Consequently, any Staff or Third Party engaging in business practices which infringe these requirements or who falls below such ethical standards may be subject to



disciplinary action which may result in summary dismissal without notice or severance payment and contractual relationships rescinded for cause.

- 2.4 Staff and Third Parties are obliged to immediately report any activity which involves fraudulent or dishonest behaviour for the purposes of financial gain including actual instances of giving, promising, offering, requesting, agreeing to receive money or a favour, or anything else of value, including where such behaviour involves public officials (or people working on their behalf, or friends/family members of such officials), to a member of senior management at 24 Exchange.

### **3. Purpose**

- 3.1 The purpose of these ABC Policies is to:-
- (a) set out 24 Exchange's responsibilities, and the responsibilities of its Staff or Third Parties associated with 24 Exchange, in observing and upholding our position on bribery, corruption and financial crime; and
  - (b) provide information and guidance to those working for 24 Exchange on how to recognise and deal with bribery, corruption and financial crime issues.
- 3.2 It is important that Staff and Third Parties read, understand and act in accordance with these ABC Policies.

### **4. ABC Policy Statement**

- 4.1 It is 24 Exchange's policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery, corruption and financial crime and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery, corruption and financial crime.
- 4.2 24 Exchange will uphold all relevant laws in respect of countering bribery, corruption and financial crime. However, we remain bound by Bermuda laws, including the Bribery Act 2016 (**Bribery Act**), in respect of our conduct both in Bermuda and abroad.

### **5. What are bribery, corruption and financial crime?**

- 5.1 *Bribery* can be defined as giving, promising, offering, requesting, agreeing to receive, or accepting a gift, fee or other reward to or from any person (in government or business) as an incentive to do something that is dishonest, illegal, improper or a breach of trust. Bribery includes:
- Commercial Bribery: This means offering something of value — money, gifts, favours or entertainment (see section 2, below) — to others in order to obtain or keep business, or to get any sort of advantage, or to try to improperly influence business decisions. In addition, it includes retaining a third party to

engage in such activity on one's behalf or turn a blind-eye to whether they will do so.

- Bribery of Public Officials: A public official can be a government employee, an employee of a public international or political organisation or a political candidate. Under some anticorruption laws, public officials can also include employees, officers and directors of government owned or controlled companies. Bribery or attempted bribery of agents, friends or family members of public officials is also included in this general prohibition.
- Facilitation Payments: 24 Exchange does not allow sums to be received or paid in the expectation of a business favour or advantage. Such payments may also be referred to as “kickbacks” or “grease payments”. These are discussed at section 9 below.

5.2 A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

5.3 *Corruption* can be defined as the abuse of public or private office, entrusted power, or position for personal gain. Corruption can also occur when relatives, friends or associates of an official receive a benefit.

5.4 Examples:

- Offering a bribe: You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.
- This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.
- Receiving a bribe: A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.
- It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.
- Bribing a foreign official: You arrange for the business to pay an additional "facilitation" payment to a foreign official to speed up an administrative process, such as clearing goods through customs.
- The offence of bribing a foreign public official is committed as soon as the bribe is made in this scenario. This is because it is made to gain a business

advantage and influence the foreign public official. The company may also be found to have committed an offence.

- 5.5 *Financial Crime* is a general concept which covers bribery and corruption as well as money-laundering and terrorism financing but extends to any activity which involves fraudulent or dishonest behaviour for the purposes of financial gain. Other examples of financial crime are insider dealing, market abuse and tax evasion as each of these activities has a financial cost and thus fall within this concept.

## 6. Legal Framework

- 6.1 Bermuda's Bribery Act is largely based on the UK's 2010 statute. The Bribery Act makes it illegal to give or receive a bribe, to bribe a 'foreign public official' or, as a commercial organisation, fail to prevent bribery. It criminalizes all commercial bribery, not just where associated with government officials. No exception is made for facilitation payments. Strict liability (i.e. liability regardless of fault) is applied to a company that fails to prevent persons acting on its behalf from paying a bribe.

- 6.2 The Bribery Act contains the following primary offences:-

- (a) Section 3: offering, promising or giving of a bribe to someone to induce them to, or reward them for, improper performance of their job, relevant function or activity; or offering, promising or giving of a bribe to someone if the acceptance itself would constitute the improper performance of their job, relevant function or activity (active bribery);
- (b) Section 4: requesting, agreeing to receive or accepting of a bribe intending that, as a consequence, a relevant function (such as employees' obligations to 24 Exchange) should be performed improperly; or requesting, agreeing to receive or accepting of a bribe as a reward for improper performance of a relevant function or activity; or where a relevant function or activity is performed improperly in anticipation of, or in consequence, of someone requesting, agreeing to receive or accepting of a bribe (passive bribery); and
- (c) Section 8: bribery of Foreign Public Officials (someone who holds a legislative, administrative or judicial position of any kind, whether appointed or elected, of a country or territory outside Bermuda).

These sections cover offences committed in Bermuda and also outside Bermuda where the person committing them has a close connection with Bermuda by virtue of being a British national or ordinarily resident in Bermuda, acting on behalf of an entity established in Bermuda.

- (d) Section 9: Failure of Commercial Organisations to prevent bribery by persons acting on their behalf – but subject to "adequate procedures" defence. 24 Exchange will be liable to prosecution, regardless of fault, if a person or entity 'associated with it i.e. a person/entity who performs services for 24 Exchange,

bribes another person, intending for 24 Exchange to obtain/retain business or an advantage. Whether a person is so “associated” depends on the facts and circumstances rather than by default from a particular type of relationship but, for example, could arise from the following associations:-

- 24 Exchange executives or Employees;
- 24 Exchange contractors/agents;
- 24 Exchange subsidiaries (if applicable);
- co-members of joint ventures; or
- contractors/agents of 24 Exchange’s subsidiaries (if applicable).

It is a question of fact in each case, so there is no category of legal relationship which by its nature automatically establishes the “association”. Relevant circumstances may include 24 Exchange’s degree of control over the offending associate – but note there has to be proof of an intention for 24 Exchange to benefit. The fact that 24 Exchange might benefit indirectly from a bribe by an “associated person” is very unlikely, in itself, to amount to proof of the specific intention required by the offence. (Source: The Bribery Act 2016 Guidance about procedures which relevant commercial organisations can put into place to prevent persons associated with them from bribing (Section 11 of the Bribery Act), Ministry of Legal Affairs, Government of Bermuda).

24 Exchange will have a full defence if adequate procedures are in place to (try to) prevent bribery – consideration will be given to whether such an entity has addressed six principles set forth by the Bermuda Government in its accompanying guidance paper to the Bribery Act which includes ABC training for Staff.

- 6.3 The Bribery Act imposes heavy penalties including a potential unlimited fine and a prison sentence of up to 15 years.

## **7. Gifts and Hospitality**

- 7.1 This policy does not prohibit normal, reasonable and appropriate gifts, hospitality, entertainment and promotional or other similar business expenditure, such as calendars, diaries, meals and invitations to arts and sporting events (given and received), to or from third parties. The practice of giving gifts and hospitality is recognised as an established and important part of doing business. Giving gifts and hospitality varies between countries and sectors, and what may be normal and acceptable in one may not be in another. Thus, in order to avoid committing a bribery offence, the gift or hospitality must:

- (a) be reasonable and justifiable in all the circumstances; and
- (b) have the intention to improve the image of the commercial organisation, to better present its products and services or to establish cordial relations.



- 7.2 This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of:
- (a) establishing or maintaining good business relationships;
  - (b) improving or maintaining our image or reputation; or
  - (c) marketing or presenting our products and/or services effectively.
- 7.3 Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.
- 7.4 Reimbursing a Third Party's expenses, or accepting an offer to reimburse 24 Exchange's expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.
- 7.5 If the gift or hospitality given or received is, as a matter of common sense, more than a token gift or modest meal in the ordinary course of business, you must obtain the written approval of a Director at 24 Exchange.
- 7.6 It is not acceptable for Staff (or someone on a member of Staff's behalf) to :-
- (a) give or accept an offer of a gift of any size from any company (i) which is in negotiation with or is tendering for a contract with 24 Exchange; or (ii) which is a potential client or business target for 24 Exchange; and/or (iii) if its stocks and shares are currently prohibited from trading/dealing due to insider trading concerns;
  - (b) give, promise to give or offer any payment, gift, hospitality or advantage with the expectation or hope that a business advantage will be given or received, or to reward a business advantage already given;
  - (c) give, promise to give or offer any payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
  - (d) accept hospitality from a third party that is unduly lavish or extravagant under the circumstances;
  - (e) accept or solicit any payment or advantage from a third party if known or suspected that it is being offered with the expectation that it will obtain a business advantage for them;
  - (f) offer or accept a gift to or from government officials or representatives, or politicians or political parties if known or suspected that it is offered or provided with an expectation that a business advantage will be provided in return;





- (g) accept or solicit a gift or hospitality from a third party if known or suspected that it is offered or provided with an expectation that a business advantage will be provided in return;
- (h) threaten, or retaliate against, another employee who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (i) engage in any activity that might lead to a breach of this policy.

## **8. Donations**

- 8.1 24 Exchange only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior written approval of a member of the Board of Directors.

## **9. Facilitation payments a.k.a. 'kickbacks' or 'grease payments'**

- 9.1 24 Exchange does not make, and will not accept, facilitation payments of any kind.
- 9.2 Facilitation payments, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official).
- 9.3 Kickbacks are typically payments made to commercial organisations in return for a business favour or advantage, such as a payment made to secure the award of a contract.
- 9.4 Staff must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by 24 Exchange, or on 24 Exchange's behalf. If any member of Staff is asked to make a payment on 24 Exchange's behalf, such member of Staff should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Staff should always ask for a receipt which details the reason for the payment. If any member of Staff has any suspicions, concerns or queries regarding a payment, this should be raised with the President and/or General Counsel or any member of the Board of Directors.

## **10. Record-keeping**

- 10.1 24 Exchange must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2 Staff must declare and keep a written record of all hospitality or gifts given or received, which will be subject to managerial review.
- 10.3 Staff must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure.



- 10.4 All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

## **11. Staff responsibilities**

- 11.1 Staff must read, understand and comply with this ABC Policy. In the event of any questions or concerns Staff should in the first instance contact senior management.
- 11.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for 24 Exchange or under its control. Staff are required to avoid any activity that might lead to, or suggest, a breach of this ABC Policy.
- 11.3 Staff must notify a member of the Board of Directors or the Company's General Counsel, as soon as possible if it is believed or suspected that a breach of or conflict with this ABC Policy has occurred, or may occur in the future. An example is if a client or potential client offers something to gain a business advantage, or indicates that a gift or payment is required to secure their business.

## **12. Potential risk scenarios: "Red Flags"**

- 12.1 Potential risk scenarios and "Red Flags" that may indicate bribery, corruption or financial crime are set out below.

The following is a list of possible Red Flags that may arise during the course of working for 24 Exchange and which may raise concerns under anti-bribery and anti-corruption laws or be a financial crime. 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 24 Exchange, you have responsibility to report them promptly a member of the Board of Directors:

- (a) you suspect or become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with 24 Exchange, or carrying out a government function or process for 24 Exchange;
- (d) a third-party requests payment in cash and/or refuses to sign a formal contract, or to provide an invoice or receipt for a payment made;
- (e) a third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;



- (f) a third-party requests an unexpected additional fee or commission to “facilitate” a service;
- (g) a third party demands lavish entertainment, hospitality or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third-party requests that a payment be made to “overlook” potential legal violations;
- (i) a third-party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be nonstandard or customised;
- (k) a third party insists on the use of side letters (i.e., agreed terms in a letter or other document outside the written contract between the parties) or refuses to put the agreed terms in a written contract;
- (l) you notice that 24 Exchange has been invoiced for a commission or fee payment that appears large given the services stated to have been provided;
- (m) 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 24 Exchange;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party; or
- (o) you become aware that a colleague, other employee or contractor working on 24 Exchange’s behalf requests a payment from a third party to expedite an activity or to “overlook” potential legal or regulatory violations.

### **13. How to raise a concern**

- 13.1 Staff are encouraged to raise concerns about any bribery issue or suspicion of malpractice or financial crime at the earliest possible stage.
- 13.2 If any member of Staff is offered a bribe, or is asked to make one, or if any member of Staff believes or suspects that any bribery, corruption or other breach of these ABC policies has occurred or may occur, such member of Staff must notify 24 Exchange’s President and/or General Counsel or a member of the Board of Directors immediately.
- 13.3 If a member of Staff is unsure whether a particular act constitutes bribery or corruption or other breach of these ABC Policies or if he/she has any other queries, these should be raised with a member of the Board of Directors of 24 Exchange.
- 13.4 Senior Staff receiving reports of bribery, corruption or suspicions of significant malpractice must immediately contact 24 Exchange’s President and/or General



Counsel or a member of the Board of Directors or other identified 'Whistleblowing Champion' at the time.

- 13.5 Individuals who refuse to accept or offer a bribe, or 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.

#### **14. Training and communication**

- 14.1 Guidance on and familiarity with these ABC Policies will form part of the induction process for all new Employees, but all existing Employees will also be required to undertake the relevant regular training on how to implement and adhere to these ABC Policies, as necessary.
- 14.2 24 Exchange's zero-tolerance approach to bribery, corruption and financial crime must be communicated to Third Parties and business counterparties of goods and services at the beginning of a business relationship. This may be achieved by sending Third Parties a copy of these ABC Policies for their confirmation that they will work within its strictures (which should be confirmed by email and preferably as a term of their contract with 24 Exchange).

#### **15. Who is responsible for this ABC Policy?**

- 15.1 The Board of Directors of 24 Exchange has overall responsibility for ensuring the ABC Policies comply with our legal and ethical obligations, and that all those under our control comply with it.
- 15.2 The Chief Compliance Officer of 24 Exchange has primary and day-to-day responsibility for implementing the ABC Policies, monitoring their use and effectiveness, dealing with any queries about them, and auditing internal control systems and procedures to ensure they are effective in countering bribery, corruption and financial crime.
- 15.3 The Board of Directors of 24 Exchange are responsible for ensuring that those reporting to them are made aware of and understand these ABC Policies and undertake any necessary training on how to implement and adhere to them.
- 15.4 The Board of Directors of 24 Exchange has ultimate responsibility for these ABC Policies including monitoring their use and effectiveness (and dealing with any queries on their interpretation).

#### **16. Breaches of the ABC Policies**

- 16.1 Any member of Staff who breaches these ABC Policies will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 16.2 We may terminate our relationship with Third Parties working on our behalf if they breach these ABC Policies.