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# ANTI-BRIBERY & CORRUPTION POLICY

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# ANTI-BRIBERY & CORRUPTION POLICY

## 1. Introduction

Gearbulk's Code of Business Ethics provides statements and guidelines for the overall ethical behaviour and record keeping for Gearbulk and its representatives – including the overall anti-bribery and corruption compliance. This Anti-Bribery and Corruption Policy ("ABC-Policy") provides further details for Gearbulk and its representatives.

## 2. Gearbulk ABC-Policy Statement

It is the policy of Gearbulk to prohibit bribery and other corrupt conduct in any form or shape, including facilitation payments\*. Bribery and kickbacks involving government officials, customers, suppliers and other counterparties in the commercial marketplace are specifically prohibited.

Accordingly, neither Gearbulk nor any person or company working in or on behalf of Gearbulk may, directly or indirectly, offer, promise, pay, give or authorize any financial or other advantage, or anything else of value, to any other person or organization, with the intent to exert improper influence over the recipient, induce the recipient to violate his or her duties, secure an improper advantage for Gearbulk or improperly reward the recipient for past conduct.

Likewise, no Gearbulk employee, person or company working in or on behalf of Gearbulk may request, agree to receive, or accept anything of value from any other person as an inducement or reward for violating your job or his or her duties to Gearbulk or in exchange for an improper benefit.

Gearbulk commits to:

- complying with all applicable anti-bribery laws,
- train its staff, monitor and manage its effort to combat all forms of bribery and corruption, and
- continually review and improve the training material and ensure training compliance

Even if the above in the short term may lose us business, our reputation for integrity is much more valuable for us and is a cornerstone of our relationship with customers, partners and other stakeholders.

\* Facilitation payment is payments in cash or kind for speeding up or getting services rendered from officials who you are legally entitled to, often referred to as "grease payments".

## 3. Purpose

Gearbulk has issued this ABC-Policy to promote compliance with all applicable anti-corruption laws, including but not limited to, the Norwegian Criminal Code ("NCC"), U.S. Foreign Corrupt Practices Act ("FCPA"), and the U.K. Bribery Act 2010 ("UKBA") as amended.

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## 4. Relationship to Other Policies

This policy is designed to be consistent with and support the requirements of Gearbulk's Code of Business Ethics ("Code of Business Conduct"), Supplier Code of Conduct and is managed by Company e-learning software and vessels incident reporting software.

## 5. People and Entities Covered by this ABC-Policy

This ABC-Policy applies to:

- Gearbulk and all its subsidiaries,
- Their vessels and crew,
- Time chartered vessels in their service,
- their directors and employees; and
- "Third parties" such as agents, consultants, brokers, partners and others who work on behalf of Gearbulk;
- all which will collectively be referred to in this policy as "Gearbulk and Gearbulk personnel".

The ABC-Policy requires Gearbulk and Gearbulk personnel to comply fully with the NCC, the FCPA, the UKBA and with other applicable anticorruption laws, including local laws in the countries where Gearbulk and entities controlled by Gearbulk (referred in below as "affiliates") operate.

Gearbulk requires its affiliates, such as majority-owned or wholly owned or controlled foreign subsidiaries, to adopt and implement policies and procedures that require the personnel of those affiliates to comply with relevant anti-corruption laws, consistent with this ABC- Policy. Business lines and affiliates shall develop local policies and procedures as needed to reflect requirements of local law and to take into account local risks and operational issues, provided they are consistent with Gearbulk's policies, procedures and guidelines.

## 6. Responsibilities of Gearbulk

Gearbulk and Gearbulk personnel must ensure compliance with this policy. The Director Legal & Compliance and Head of HSEQ are overall responsible for ensuring staff are trained and are compliant with the policy, providing advice and guidance to personnel on the Anti-Bribery and Corruption policy and training and issues relating to bribery and reporting on the performance of the Anti-Bribery and Corruption compliance to the leadership team.

All Gearbulk and Gearbulk personnel must (1) understand and comply with this policy, as well as with any related guidelines, policies and procedures; (2) maintain accurate documentation of transactions entered into by or on behalf of Gearbulk; (3) report information to appropriate personnel as required; (4) provide compliance certifications as required by Gearbulk; and (5) get guidance when in doubt.

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The management must ensure: (1) systems are in place to ensure substantial discretionary authority over business of Gearbulk and its affiliates is not delegated to personnel that may engage in risky behaviour; (2) the compliance function of the Company has adequate resources; (3) compliance is a factor in performance reviews; (4) information pertinent to anticorruption compliance is reported up the chain and, as appropriate, to the Board of Directors; and (5) there is appropriate discipline of Gearbulk personnel and third parties involved in breaches of this policy.

Finance and accounting personnel must: (1) take reasonable steps to ensure no payments are made by Gearbulk or its affiliates in violation of this policy or relevant anticorruption laws and that all payments are properly authorized pursuant to Gearbulk's ABC-policy; (2) take reasonable steps to ensure all books and records of Gearbulk and its affiliates are complete and accurate and conform to applicable policies and procedures; and (3) report to appropriate supervisory personnel regarding anticorruption compliance matters, as provided for in this policy and other related policies and procedures.

### 7. Our customers

We aim to cooperate with our customer in fighting corruption and corruptive behaviour and expect our customers to contribute to this joint effort. We appreciate that our customer might have their own business ethics and ABC policies to which they require Gearbulk to adhere to. We will comply with such customer requirements only to the extent that such commitments are not violation our own Business Ethics and ABC policies.

### 8. Guidance on How to Comply with this Policy

Gearbulk has issued guidelines and procedures to promote compliance – collectively known as the "ABC – Guidelines" for internal use.

### 9. Improper Transactions Prohibited

The ABC-Policy and the Code of Business Conduct strictly prohibit the following improper transactions:

- Payments or other value transfers in the form of money, gifts, favours or entertainment to any government officials, foreign or domestic, for the direct or indirect purpose of securing an undue action or advantage or otherwise in violation of the law.
- Payments to contractors or suppliers to obtain favourable treatment in violation of the law.
- Transactions designed to obtain business or direct business to others, or to induce a governmental official or employee to fail to perform or improperly perform his or her official functions.

In support of the above policies, this ABC-Policy requires that neither Gearbulk nor Gearbulk personnel shall:

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- make, offer, promise, authorize, assist, or take any other act in furtherance of.
- any payment or use of any funds, assets or anything of value.
- directly or indirectly.
- to a government official;
- for the purpose of (i.e., in exchange for);
- influencing or inducing official action or inaction;
- causing the official to act or fail to act in violation of a lawful duty; or
- to secure an improper advantage
- in connection with obtaining or retaining a business benefit;
- for the Company or any other person.

The term "government official" includes:

- Any officer or employee of any national, regional, local, or other governmental entity, including elected officials;
- Port, Customs, Immigration and Health authorities in any port in the world
- any private person acting temporarily in an official capacity for or on behalf of any governmental entity (such as consultant retained by a government agency);
- officers and employees of companies in which the state has a majority ownership interest or over which the state exercises control;
- candidates for political office at any level;
- political parties and their officials; and
- officers, employees, or official representatives of public international organizations, such as the World Bank, United Nations, IMF, etc.

The ABC - Guidelines provide additional and detailed practical guidance on how to apply this policy in the day-to-day conduct of Gearbulk business.

### Local customs and practice

Gifts and entertainment offered or expected, and which is legal under local law and/or normal business practice in a particular country, but might not be permissible under this policy, should be handled with professional judgement. In case of doubt, a superior should be consulted, if practically possible.

Such gifts and entertainment should anyway be of low value and never in cash and should be recorded and reported in accordance with the applicable reporting and accounting procedures.

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### 10. Reporting of concerns and violations

All persons and companies subject to this policy are expected to report appropriately any indications of illegal or improper conduct in accordance with this policy. Anyone who reports a breach of this policy will be protected from any disciplinary procedure, if relevant and will receive the full backing from Gearbulk.

No person subject to this policy will suffer adverse consequences for refusing to offer, promise, pay, give or authorize any such benefit, advantage or reward, even if this results in the loss of business to Gearbulk.

All reported cases shall be reported, including records of incidents, records of corrective actions, experience transfer and transparency. Such reports should be stated in way not to incriminate the company or named persons.

If you are concerned of potential breaches of this Policy, you should report your concerns in the following way:

- Your supervisor or department head
- The Compliance Team
- Human Resources
- Branch Office Manager
- Company's board of officers' members
- Call or submit a case to Navex Global, either in full name or anonymous.

Reporting to Navex Global can be done here: [Gearbulk EthicsPoint](#) or by a locally freephone which number you can find according to your location on the same website.

**Gearbulk reinforces that all complaints can be done anonymously. If you're making a complaint, you can choose if you want to be identified or if you want the complaint to be anonymous.**

Reporting of potential breaches of this Code is considered loyal and will be treated in a responsible manner. **Whoever reports such incidents will not experience any negative consequences.**

### 11. Compliance monitoring

Compliance with this policy is subject to monitoring and audits as required. All persons and companies subject to this policy will cooperate in such monitoring and audits as requested.

### 12. Consequence of violations

Gearbulk can incur severe administrative, civil and criminal penalties if it is found to have offered or accepted a bribe or benefited from a bribe. Gearbulk personnel can also incur severe civil and criminal penalties, including imprisonment, if he or she is found to have offered or accepted a bribe or benefited

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from a bribe. Assisting others to commit bribery, or ignoring clear evidence of bribery, also can lead to similar penalties.

Any person and companies subject to this policy who does not comply with the standards set forth in this policy will be subject to disciplinary actions in light of the nature of the violation, including termination of employment or contract, as applicable.

### 13. Exception / exemption /duress

It is allowed to complete payments (which are otherwise prohibited by this policy) if you have good reason to believe that safety for people or vessels or property is at risk unless a demand for a payment – in any shape or form – is met. The Head of Department and Director Legal & Compliance shall be consulted in advance. For clarity, the incident and payment should be reported in accordance with the applicable reporting and accounting procedures.

### 14. Detailed guidelines

ABC legislation, enforcement and initiatives for fighting corruption and corruptive behaviour are in focus worldwide. The distinction between illicit bribery and legal hospitality may vary between countries and develop over time. Therefore, there is no distinct line or definition of low value gifts set in this policy. For detailed guidelines and procedures with examples of corruptive behaviour, handling of specific cases, reporting, record keeping/accounting, reference is made to Gearbulk ABC training and applicable procedures and work instructions.

### 15. Questions and Assistance

For any questions related to this policy, please contact:

Head of HSEQ: +47 5300 0500

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## Appendix 1 - Dealings with Port Agents, Vendors and Other Third Parties

We must ensure that when we prepare and plan for the port call, corruption and bribery issues kept in mind. This may need to include discussions with the vessel's master, superintendent, as well as the relevant port agent(s) and other port suppliers.

Some countries and ports are inherently riskier than others. Therefore, this preparation cannot follow a prescriptive format.

However, where applicable the following should be considered:

- The country the vessel is calling at. Transparency International (TI) publish a country corruption index
- The port the vessel is calling at. The Maritime Anti-Corruption Network (MACN) collates a list, for its members, of the port corruption hotspots. This tool can be immensely helpful when planning a port call - Contact the Compliance Officer for more information.
- Understanding the various authorities and other parties the vessel will need to engage with- e.g. port state control inspectors, immigration, customs, pilots, and tug master, etc.
- Gearbulk's own direct or second-hand knowledge of situations which have occurred previously at the port - sharing information can be key to anticipating problems.
- Information from our Port Agent.
- The terms and conditions of the related freight contracts, the anti-corruption clauses that we have agreed to - See Anti-Bribery Clause.

### Things to consider:

- Understand the local laws. (Consult with the port agent and others to get advice. You can always consult Legal & Compliance department for assistance).
- We shall follow the local laws. Following custom of the port is not a legal defence.
- Insist on proper official receipts for all payments -See Documentation.
- Ensure that we have all the relevant permits / documents in order.
- Advise the Port Agent of our ABC policy, and the ABC clauses in our relevant freight contracts.

It is very important that for all expenditure that we obtain an official receipt or invoice for the costs incurred. This instruction must advise all our port agents and other relevant suppliers of this.

### Official Receipts and Invoices

Where it has not been possible to obtain an official receipt or invoice then we must account for those costs as an "Un-receipted" transaction.

However, please note that costs that are incurred by the port agent - for their own account, such as the agency and communication charge - are not classified as "Un-receipted" transactions and therefore

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should be accounted for in accordance with standard voyage accounting procedures.

### Supplier Contracts

The Gearbulk employee that owns the relationship with the supplier must ensure that the supplier contract contains an anti-corruption clause. In particular, that the port agent and key suppliers in the port are aware of Gearbulk's ABC-Policy.

### Freight Related Contracts

The charterer may insist that the shipping contract (voyage charter, COA, or time charter) includes an anti-corruption clause.

It is very importance that we are aware of this clause when voyage and port call planning. We must never just sign up to an anti-corruption clause and then ignore it.

If you have questions regarding these clauses, please ask the Director Legal & Compliance.

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### Appendix 2 - Gifts, Meals and Entertainment / Sponsored Travel and Accommodations

UK, Norwegian and USA ABC legislation does **NOT** out-law the giving or receiving of gifts and/or entertainment, both of which can be a valid means of establishing business relationships.

However, the entertainment and gifts must be proportionate and reasonable. One must never use this type of expenditure as a means to obtain or retain business, and / or to obtain an improper advantage or influence.

With regards to hospitality, the following provides guidance:

*"Hospitality such as social events, meals or entertainment may be acceptable if there is a **clear business reason**. The cost of any hospitality must be within **reasonable limits**. Additional costs related to accommodation, travel and other expenses for the individual in connection with such hospitality are always held by the employee's company.*

*It is not allowed to accept any form of personal fees, provisions or services that may be interpreted as attempts of influencing decisions. Neither is it allowed to accept any form of gift or service in relation to negotiations, or as acknowledgements for a specific contract or behaviour.*

**The above principles also apply in the reverse direction.** No employee, or individual acting on behalf of the Gearbulk, may in their interaction with customers, suppliers or other business partners, offer or agree to pay for gifts, hospitality or services to others, in violation of the principle above."

The main principles with regards to hospitality can be summarised as follows:

**1. Hospitality must have a clear business reason.**

Any clear business reason may qualify and may differ for different arrangements. For example, a sufficient business reason for buying a customer a lunch would be to keep in touch and discuss possible future business. On the other hand, more expensive events as for instance a fishing trip or major sports event should include a written program and professional content, such as a market discussion with an introduction. It does not require a formal setting but could also be done in a more relaxed environment.

For a vessel naming ceremony, the information about and promotion of the new ship will likely be sufficient business reason to invite a good customer to the naming ceremony and dining.

The business reason must be assessed from case to case, and always be seen in connection with the cost of the arrangement.

**2. The cost of hospitality must be within reasonable limits.**

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Cost must in turn be seen in connection with the business reason. The stronger the business reason, the higher cost can be justified. The market value of offered hospitality should be considered, and not the cost, if the cost is lower. For example, if we have free or cheap access to fishing or hunting rights in an area normally closed to the public, our assessment should be of the market value of such rights and not our low cost.

### 3. Hotel, air fares and other expenses **must be covered by the customer.**

Accommodation and travel shall be covered by the customer. Collective transport, such as common transport to an arrangement for all participants may be covered by Gearbulk as part of the hospitality. Accommodation cost charged by the room should always be covered by the customer.

### 4. Participation in hospitality should be **open.**

Openness is a requirement that follows from the values of Gearbulk. This applies both to us, and to the extent we can control it, to our customers. If an invited person keeps an arrangement secret from his superiors, this may increase the risk that the invitation is seen as corruption. If any individual invited to hospitality seems reluctant to inform his superiors of his participation, we should therefore be very careful.

### 5. Extra caution should be applied in case of **public officials.**

The guidelines to hospitality apply to all relationships, also business to business. However, extra caution should always be applied in the event of offering hospitality to public officials. Public officials include employees of state-owned enterprises.

### 6. The situation and position of the parties must be evaluated.

It is important that the invitation does not intend or appear to attempt to influence any concrete decision. Even a casual lunch could be inappropriate if we are involved in a process (e.g. tender) where the invited individual will make a decision.

Ethical guidelines with regards to gifts:

*"The employee must not accept gifts except for **promotional items of minimal value** normally bearing a company logo. Other gifts may be accepted in situations where it would give offence to refuse. In such cases the gift should be handed over to a superior and be regarded as company property. Smaller gifts in connection with celebrations, Christmas or other special occasions which are considered normal business practice are exceptions. Nevertheless, the extent of these exceptions shall not influence any decision-making process or give reason for suspecting that this has happened."*

We should be very careful of giving gifts, other than "promotional items of minimal value normally bearing a company logo." Gifts will not have any business purpose in itself, other than building goodwill or

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influencing the receiver. A lunch or dinner will provide the opportunity to discuss business and keep in touch with a customer. Therefore, it may not be assumed that a gift is ok, just because the value of the gift is lower than the cost of an acceptable business lunch or dinner.

Wide or cultural acceptance of more expensive gifts should not be seen as sufficient reason for us to "do as everybody else". Any material gift should be carefully evaluated. If the gift may seem to be linked to a particular service or decision it should not be given, as it may easily be seen as a bribe.

Christmas presents and other culturally acceptable tokens of attention should be moderate, and well within local business practise.

If you receive a gift which is not a promotional item of minimal value, or if doubt, please contact the Director Legal and Compliance. All gifts which are not a promotional item of minimal value shall be recorded in a gift register held by the Director Legal and Compliance.

### SUMMARY

All hospitality offered by Gearbulk should be comfortably within these guidelines, the ethical guidelines and all applicable legislation. The business reason and costs of an arrangement should be carefully evaluated. Consider what would the public, a journalist or accountant would think of the cost and level of hospitality.

All gifts which are not a promotional item of minimal value shall be reported to the Director Legal and Compliance.

Any doubt should be discussed with a superior and the Legal & Compliance department is always available to assist.

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## Appendix 3 - Facilitation and Duress Payments

### Facilitation payments

The definition of a facilitation payment is that they are small amounts paid (which include items of value, such as cigarettes or whisky) to receive or speed up routine services (including those provided by government bodies) for which we are legally entitled to. There is no legal definition of what is deemed to be a small payment; however, the UN has classified this as less than US\$ 20.00 in value.

It is the policy of Gearbulk not to pay facilitation payments. Facilitation payments are not allowed under the NCC or UKBA. Further, it should be noted that many of our freight / shipping contracts with our customers prohibit the payment of facilitation payments. However, certain jurisdictions do allow facilitation payments, such as the USA.

In case a facilitation payment is requested, the request shall be denied as it is Gearbulk's policy not to pay such facilitation payments. If the request is maintained, legal advice must be sought with the Director Legal & Compliance who will assess the applicability of the NCC, the UKBA, and local laws as well as the relevant freight / shipping contracts. If the facilitation payment is legal under the circumstances, the following requirements from the FCPA shall be complied with:

- Must be a small amount
- To receive routine minor government action
- Must be of a non-recurring nature
- The payer must have also met all the legal requirements for the routine government action
- These payments must be clearly accounted for in the company's accounts

### Duress payments

There may be circumstances where we have to make payments under duress, for example, when you or fellow employees are at risk of physical harm, or the safety of the crew or vessel is at risk.

In these circumstances advise your manager and the Director Legal & Compliance in advance and ensure that the payment is reported in the Anti-Bribery and Corruption Management System.

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