

Clough's Anticorruption Model



2024

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1. INTRODUCTION

The Anticorruption Model sets forth the principles, rules of behaviour and controls that the parties who work for and with the Clough Group (hereinafter "Clough" or the "Company") must adopt to prevent corruption in all its forms with respect to Public Officials or private parties.

The Board of Directors of Clough have adopted this Anticorruption Model pursuant to the standards set out in the Code of Ethics and the Anti-bribery management system in accordance with the Anticorruption Model, and applicable laws with respect to preventing corruption.

Additionally, the Anticorruption Model complies with the tenth principle of the Global Compact that Clough has adopted, in accordance with which "Businesses undertake to counteract corruption in all its forms, including extortion and bribery".

Clough promotes the adoption and compliance with the standards defined by the Anticorruption Model by the applicable bodies in the Subsidiaries, special-purpose companies set up to create projects and joint ventures by Clough.

The Anticorruption Model is subject to regular review by the Company and the most recent version is available on the website <http://www.cloughgroup.com> and the intranet page <http://cloughaus.sharepoint.com/emp/Pages?Code-of-Ethics.aspx> of Clough.

Please refer to the Definitions for more information on the terms and definitions in the Anticorruption Model.

2. OBJECTIVE

Clough, as a company that engages in the construction of large, complex works, recognizes the great importance of running its business in accordance with the law and with integrity, transparency and honesty in all the countries in which it works.

The business activities of the Company are mainly carried out outside the national territory, with customers and partners from different countries, and it is therefore subject to a wide range of laws and jurisdictions. Additionally, the projects in which Clough takes part may be funded by Multilateral Development Banks or investment funds, including non-governmental, that adopt their own rules and regulations to prevent corruption, and with which Clough complies.

Therefore, the Anticorruption Model aims to provide a systematic framework of reference for the instruments that Clough adopts to prevent active and passive corruption, with respect to Public Officials or private entities, and the practices subject to sanction by the Multilateral Development Banks, in accordance with the strictest provisions on anticorruption issues and best international practices.

¹ The Global Compact is an international initiative launched in July 2000 by the United Nations to support 10 universal principles on human rights, labour, the environment and the fight against corruption. It brings together governments, businesses, UN agencies, labour organisations and civil society with the aim of helping to achieve a "more sustainable and inclusive global economy" by introducing respect and the application of shared values.

² <https://www.cloughgroup.com/certifications>

3. ANTI-CORRUPTION LAWS AND REGULATORY REFERENCE

National and international legislation on corruption is extensive and continuously expanding. Since Clough is a wholly owned subsidiary of an Italian registered company, it is subject to Italian law, and Legislative Decree 231/01 provides for administrative liability of a Company in the cases of corruption – including attempted – of Public Officials and private parties in Italy and abroad, in the interest of and to the advantage of the Company.

In accordance with its presence at an international level, Clough is also subject to compliance with the laws in effect in the countries it operates in, including the ratification of international agreements such as the OECD Convention on combating bribery of foreign public officials in international business transactions (1997), the United Nations Convention against Corruption (2003) or the Convention by the Council of Europe on Corruption (1999). Additionally, many countries have established authorities to combat corruption – provided with independent sanctioning powers – which can issue regulations or guidelines that apply to public tenders (for example the Agence française anticorruption, the Anti-Corruption Office in Argentina, etc.).

Finally, Clough takes part in financing projects by Multilateral Development Banks or similar entities (for example the World Bank, the European Bank for Reconstruction and Development, etc.) which have their own regulations, and they carry out specific investigations to combat corruption in the assignment and management of the loans disbursed .

Despite the complex regulatory framework that applies, in general, a crime of corruption occurs where there is an event that:

- a) Involves a Public Official – including from a country different from the one in which they are operating – or a private entity;
- b) Relates to the offer, promise (active corruption) or receipt of unlawful requests (passive corruption) of money, benefits, gifts, anything of value or other advantages to carry out activities that are contrary to the duties of office or to facilitate services due in any case.

Some legislation, such as many of the rules adopted by the Multilateral Development Banks, also include behaviour that could facilitate or mask the realisation of corruption activities as part of the activities subject to sanction, including collusion – for example during calls for tenders – or fraud – such as the incorrect or untruthful representation of significant facts or situations. An additional rule adopted by Multilateral Development Banks prohibits contracting with, or use of a company that is subject to debarment by any Multilateral Development Bank on any contract or project that involves Multilateral Development Bank funding.

This Anticorruption Model aims to counteract the risks of unlawful practices in running the business and the Company activities, providing rules and prevention standards that can be applied in every context in which Clough operates. If the provisions of local laws in any of the countries in which the Company operates are more restrictive than those set forth in this Model, Clough undertakes to act in accordance with those stricter provisions.

³ The Australian Government Department of Foreign Affairs and Trade website sets out information on the consequences of engaging in bribery or corruption.

The Attorney-General's Department's Foreign Bribery website includes other resources on bribery and corruption.

The Bribery Prevention Network is a public-private partnership between Australian Government entities and the private sector.

4. RECIPIENTS

The Recipients are the Board of Directors, statutory auditors, managers and employees of the Company, and all those who, directly or indirectly, permanently or temporarily, have dealings and relationships with Clough, each to the extent of his/her functions and responsibilities.

4.1 Roles and responsibilities

Clough's Board of Directors are in charge of adopting and subsequently amending the Anticorruption Model.

Along with approving the Anticorruption Model, the Board of Directors identified the Compliance Department as the department in charge of implementing and monitoring the Anticorruption Model in the company, and more generally, compliance of the Anticorruption System to ensure it meets the industry standards. The Compliance Department supports the Board of Directors of Clough in identifying and assessing the need to update the Anticorruption System. The Compliance Department provides assistance and consultation, upon request, to the Subsidiaries, to set up to carry out specific projects and joint ventures by Clough on the implementation and application of the respective Anticorruption Systems.

The Compliance department focuses on providing guidance on the application of the Anticorruption System, anticorruption laws, the rules of the Multilateral Development Banks and all other provisions relating to the prevention of corruption. The Compliance department is also in charge of receiving reports of potential breaches of the Model, coordinating any investigations and providing support in the execution of due diligence.

The managers of the Clough are in charge of monitoring the local application of the Anticorruption System, periodically referring any relevant weaknesses or suggestions on the anticorruption provisions to the Compliance department.

All Recipients are obliged to familiarise themselves with the provisions of the Anticorruption System, comply with it and apply it in relation to the function exercised and at the level of responsibility taken on.



5. GENERAL ANTI-CORRUPTION PRINCIPLES

Certain areas relating to the activities carried out by Clough have been identified as being more subject to the risk of active or passive corruption than others. The general principles of behaviour that the Recipients have to adopt were defined in relation to each area of risk. The areas at risk are divided into the following categories:

A – Relationships at risk of corruption

B – Significant Third Parties

C – Instrumental activities at risk of corruption

In order to comply with this Anticorruption Model, both in management of the dealings at risk of corruption and carrying out activities that could be at risk of corruption, Clough carries out specific controls as described in the paragraphs below, and will require compliance with the following principles:

- Segregation of activities/processes, using organizational tools such as separation of tasks and responsibilities, and access to information and data, the availability of which depends on the responsibilities given to each member of personnel;
- Adoption and implementation of adequate internal rules to define the operational methods for key processes and activities;
- Identification of individuals qualified to carry out certain control and authorisation activities, and the allocation of appropriate powers and responsibilities in line with the allocated tasks;
- Traceability of all operations and regular, accurate maintenance of accounting ledgers and books.

5.1 Dealings at risk

5.1.1 Dealings with the Public Administration

The many dealings between the Company and Public Administrations (hereinafter also "PA") may create potential situations of risk, as Clough may be held liable for actual or attempted acts of corruption undertaken or attempted with Public Officials who may request undue benefits in order to act in breach of their duties or in violation of their official obligations.

The dealings with Public Administration mainly regard to the following categories:

- **Dealings where the PA is the client on a project** – these relations may lead to the risk of corruption in the awarding of a contract, the management of the contract or in any other phase of the project, such as the obtaining of payment certificates from the Engineer or the approval of modifications, extensions, variants, complaints, defective or non-existent works, testing, etc.;
- **Obtaining administrative measures where the PA is responsible** – these activities may lead to risks of corruption, during the activities to obtain documents / authorisations that the PA is responsible for (including licences, permits, registrations, concessions and other approvals needed for the business), the importing or exporting of goods, etc.;
- **The fulfilment of obligations towards the PA** – the need to fulfil said obligations, including the implementation of regulatory requirements, the execution of specific inspections and the submission of declarations etc. may lead to risks of corruption;

- **Inspections or checks by the PA** – the handling of requests during inspections, checks, verifications and investigations etc. that the Recipients are involved in could generate risks for the Company;
- **Legal disputes** – disputes with the entities of the Public Administration and private individuals can generate situations that involve a risk of corruption in relations with the authorities.

In relation to said areas of risk, Clough:

1. Prohibits any form of undue payment, benefit or other advantage to a Public Official in breach of the Anticorruption Model and applicable anticorruption laws even if they are expressly requested or if it is customary in certain environments, and this creates any kind of disadvantage for Clough or its personnel;
2. Prohibits favours, collusive behaviour, direct requests and/or requests via third parties aimed at inappropriately influencing the decisions of the Public Official are prohibited;
3. Identifies the parties authorised to deal with the PA, both where the PA is commissioning works and in the case of inspections;
4. Adopts specific procedures to manage the processes that provide for contacts with the PA in order to ensure compliance with the abovementioned principles, and more especially, separate the activities/ processes and the traceability of the transactions carried out;
5. Implements a modulated training programme, according to different levels of study, depending on the position of the trainees and the various levels of their involvement in activities that are at risk of corruption.

5.1.2 Relations with Multilateral Development Banks or financing entities

The many dealings between The projects that Clough takes part in may be financed by Multilateral Development Bank funds for development and cooperation and/or other financing entities, including non-governmental, that the Company can deal with directly or through the Client. These relations may be at risk of corruption especially in the assignment, monitoring, and reporting stages on how the funding is to be used.

In relation to said areas of risk, Clough:

1. Will ensure the traceability of the dealings with the financing entity, engaging authorised personnel who have the necessary powers;

⁴Each Multilateral Development Bank maintains its own lists of debarred entities, and many Multilateral Development Banks utilize a “cross debarment” mechanism of debarring entities that have been debarred by other Multilateral Development Banks. For more information on Multilateral Development Bank cross-debarment, please see <http://www.crossdebarment.org>. For a list of entities debarred by each Multilateral Development Bank, including the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the World Bank, please see: <http://lnadbg4.adb.org/oai001p.nsf/Content.xsp?action=openDocument&documentId=DEF222C735043054825844000329438>

The lists can be found directly on the following websites:

- I. <http://www.worldbank.org/en/projects-operations/procurement/debarred-firms>;
- II. <http://lnadbg4.adb.org/oga0009p.nsf/sancCrossDebarred?OpenView&count=999>
- III. <http://www.ebrd.com/pages/about/integrity/list.shtml>
- IV. <https://www.afdb.org/en/projects-operations/debarment-and-sanctions-procedures>
- V. <https://www.iadb.org/en/who-we-are/transparency/sanctions-system/sanctioned-firms-and-individuals>

2. Will not partner with or contract with companies that are currently debarred by any Multilateral Development Bank, on any contract or project that is financed, in whole or in part, by Multilateral Development Bank funds⁴ ;
3. Will guarantee the timely submission of the documentation requested by the financing entity, ensuring completeness, accuracy and truthfulness;
4. Monitor the financial project to ensure it is carried out properly and check to ensure the accounting progress corresponds with the physical progress;
5. Cooperate during any audits or inspections aimed at establishing how the funding is used;
6. Ensure that training and/or information is given on the practices subject to sanction by the Multilateral Development Banks.

5.1.3 Relations with private entities

When Clough carries out its business activities, it deals with various types of third parties such as clients, suppliers, commercial partners, etc. for a number of different purposes. The main categories of parties are noted below, along with the risks that could result from managing relations with them and the control principles.

5.1.3.1 Clients

In addition to public clients who commission major works, other Clough client categories include private entities which require civil engineering projects or acquire plants and machinery from the Company. In these relations, the risk of corruption may involve the possibility that Clough is considered responsible for acts of corruption undertaken or attempted with clients or its employees or vice versa, that the client may require the Company to work with a certain supplier with which the client has consolidated relations in order to obtain personal benefits, or that the transaction or sale represents payment of the price for a corrupt action.

In relation to said areas of risk, Clough:

1. Will perform a check on the potential client;
2. Will identify the entities authorised to have dealings with the clients, both when preparing the offer and presenting it, in order to ensure compliance with the principle of separation of activities/processes;
3. Will prohibit favours, collusive behaviour, direct requests and/or requests through third parties aimed at inappropriately influencing the decisions of the counterparty;
4. Will guarantee the submission to the client of the documentation requested, ensuring completeness, accuracy and truthfulness;
5. Will implement a training programme for personnel who deal with the clients, tailored to the level of involvement of the personnel in activities that are at risk of corruption.
6. The selection process for commercial projects is described in detail in the company procedures of Clough. They identify the roles and responsibilities of the key players in said process and define the procedures for the correct selection of said projects.

5.1.3.2 Suppliers

The activities put in place by or in favour of suppliers (including sub- contractors, consultants and providers of professional services) may be considered at risk of corruption since, for example, the price of the service/ activities provided could conceal funds for the payment of corrupt actions or the supplier could corrupt Clough employees to obtain benefits.

In relation to said areas of risk, Clough:

1. Prohibits any behaviour that conflicts with the principles of the Anticorruption Model, having all suppliers sign a specific contractual compliance clause with which it undertakes to act in accordance with the Code of Ethics and the principles set out in this document or otherwise the contract will be terminated. If the counterparty has its own compliance system (for example a Code of Ethics), the Compliance department is obliged to check to ensure that the principles contained in them reflect those adopted by Clough in order to decide on any amendments to the above- mentioned compliance clause;
2. Selects, through a structured qualification process, reliable suppliers with solid reputations;
3. Requires the contracts with suppliers to be drawn up in writing;
4. Monitors to ensure that no fees, commissions or other payments are made at a rate that does not reflect the services rendered to the company or does not conform with the mandate or conditions/practices currently used on the market or set by professional tariffs;
5. Obliges suppliers to sign a declaration in which the counterparty:
 - a. Guarantees that the consideration has only been received in return for the services defined in the contract;
 - a. Guarantees either that they are the final recipient of the payment or that they will give details of the final recipient, with the right for Clough to terminate the contract if investigations prove otherwise;

The procurement process and related controls are governed in detail in Clough's company procedures. These procedures and guidelines identify the roles and responsibilities of the key players in said process and set out the conditions for a fair, transparent selection and management of suppliers, as well as procedures for their reporting and control, and the management of important documentation and monitoring payments.

5.2 Significant third parties

Certain specific categories of operators with which Clough enters into dealings are highlighted in instances in which the risk of corruption may be considered to be higher in relation to the characteristics of the entity or activity carried out. These entities are defined as Significant Third Parties, i.e. any legal person or natural person, who is not an employee, who acts in the name of and/or on behalf of the Company, and who could have a contact with a Public Official or a private entity when carrying out his/her job in the name of and/or on behalf of the Company. Legal persons identified as potential targets for the realisation of an extraordinary merger or acquisition may also be Significant Third Parties.

The term contact refers to any negotiation, agreement, meeting, inspection, investigation, management of administrative, contractual or legislative duties, or any other type of similar operation in which the Significant Third Party deals with Public Officials or private entities in the name of and/or on behalf of Clough.

In accordance with the type of dealings that Clough has with the third parties, the Significant Third Parties fall under the following categories:

1. Partners (in joint ventures, consortia, special-purpose companies, etc.)

Clough can collaborate with legal persons in order to win, develop or manage tenders, sharing the risks related to the investment. These types of collaboration can either take the form of special-purpose companies permitted under local laws, or joint ventures and other partnership agreements.

It is important for Clough to know its potential partners and be able to assess any existing or potential risks deriving from a counterparty that does not operate in line with the ethical principles established by Clough.

2. Consultants, professional service providers and freelance workers, who, due to the activities carried out, have contacts with a Public Official or private entity in the name of and/or on behalf of Clough

Clough can make use of consultants, professional service providers and freelance workers (for example intermediaries or sponsors) in carrying out its business. When these entities act in the name of and/or on behalf of Clough and have contacts with a public official or private entity, they fall under the category of Significant Third Parties when carrying out their duties, making it therefore necessary to carry out further controls and checks. It is important to assess consultants, professional service providers and freelance workers, and information has to be acquired on whether any of them have undertaken activities that are prohibited by the Anticorruption System, or if there are reasonable possibilities that they could be.

3. Third parties involved in extraordinary transactions

This involves companies identified as potential targets to carry out extraordinary mergers or acquisitions. During these transactions, it is important to assess the risk of corruption deriving from the acquisition of a company or a company subsidiary, that has its own exposure to the risk of corruption, also in relation to the type of business carried out and the country in which it operates. This category also includes parties that support the transaction, consultants and advisors.

For extraordinary transactions, an appropriate due diligence process is essential in order to avoid potential repercussions for Clough, such as damage to image, impairment of the Company value, and/or damage to the transaction.

5.2.1 Due Diligence on the Significant Third Parties

In order to minimise the risks, Clough requires further assessments to be carried out, with respect to those provided for in company procedures, before establishing a business relationship as well as during the term of the contract with the Significant Third Party: The control and approval procedures are aimed at assessing whether the Significant Third Party is acting in breach of the Code of Ethics or the Anticorruption System, or whether there is a concrete risk that it could do so.

In managing dealings with a Significant Third Party, Clough will ensure that the following is carried out:

- An in-depth due diligence inspection on the Significant Third Party to be carried out in accordance with the procedures set out in the "Assessment of the Significant Third Parties Guidelines – Anticorruption and Compliance" and before establishing any contractual relationship or carrying out any operation with said Significant Third Party;
- During the due diligence phase, if any red flags arise, checks must be carried out to ensure that the issues have been adequately resolved or that suitable measures to safeguard Clough have been put in place;
- Monitoring during the course of the relationship or transaction with the Significant Third Party, during which checks will be carried out to ensure that the counterparty continues to meet the requirements of the Model.

The due diligence procedures are described in detail in the Compliance procedures and guidelines that define the criteria and control procedures, and the roles and responsibilities to carry out the assessments in accordance with the different categories of the Significant Third Parties, in order to ensure compliance with the above-mentioned principles, and especially the separation of activities/ processes and the traceability of the operations carried out.

- Due diligence is generally carried out to monitor the following:
- To ensure that there are no impediments with regard to the Significant Third Party;
- If the Significant Third Party is a legal person, its beneficial owner can be identified, the ultimate owner in the chain of companies;
- There is a valid commercial reason that justifies a relationship with that Significant Third Party;
- There are no conflicts of interest between the Significant Third Party and the Public Officials or the private entities with which the Third Party has to interact;
- If there are extraordinary transactions in the company in question, there are no potential shortcomings in its internal control system and/or any suspicious transactions (for example red flags may include irregular payment systems, suspicious interactions with the Public Administration, etc.).

After the due diligence has been carried out, Clough ensures that the dealings with the Significant Third Party are governed in writing by documents that contain the necessary compliance clause, and more specifically, the undertaking to operate in accordance with this Anticorruption Model and applicable laws. Clough also ensures that the services were actually carried out and that the payment methods can be traced, and the payments have been disbursed to the provider, which are commercially viable and proportionate to the level and type of services provided.

From the moment the agreement is entered into with the Significant Third Party, up to the conclusion of the dealings, such party will be monitored to ensure that the aspects assessed during the due diligence process remain valid throughout the term of contract.

It is the policy of Clough that, for any project involving Multilateral Development Bank funding, it will not contract with or use any entity that is currently debarred by a Multilateral Development Bank as a partner sub-contractor, or in any other related role, as all Multilateral Development Banks prohibit the use of such debarred entities on projects financed by them. As such, in any proposed project or contract involving the use of funds from a Multilateral Development Bank, Clough will conduct pre-contracting due diligence on all proposed partners sub-contractors, or other third parties in order to assure itself that no proposed party to the transaction or project is currently debarred by any Multilateral Development Bank. If, during the course of due diligence or otherwise, Clough becomes aware that a potential partner subcontractor, or third party has previously been, but is not, at the date of the carrying out of the due diligence, debarred, it will follow the procedures described in the next paragraph.

If, in respect of any project or contract not involving the use of funds from any Multilateral Development Bank, Clough discovers in the course of its contracting, bidding or due diligence that an existing or potential partner sub-contractor, or third party is currently (i) debarred by a Multilateral Development Bank, or (ii) charged with or the subject of an investigation involving potential violations of laws prohibiting corruption fraud, or money laundering, Clough will take reasonable and appropriate steps to assure itself that the partner sub-contractor, or third party has remediated any misconduct and has introduced and implemented a compliance program adequate for the prevention of any such misconduct occurring in connection with any contract or project involving Clough. Such steps may include one or more of the following:

- Requesting a presentation from the third party to explain the nature and circumstances regarding any prior misconduct and any actions the third party has taken to remediate the issues;
- Conducting a review of the third party's compliance program to assess whether it has been designed and implemented in a manner to provide sufficient assurances to Clough that the third party will not engage in misconduct in the contract or project at issue; and
- Examining other past and current Clough contracts, transactions, or projects involving the third party in order to ascertain whether compliance issues have arisen.

The steps Clough will take shall be determined on a case-by-case basis, taking into consideration the nature of the past misconduct (i.e., isolated or pervasive, involving senior-level or junior employees, implicating the compliance department), the amount of time that has passed since the misconduct, and the degree to which the misconduct potentially could occur in anticipated circumstances of the proposed Clough contract or project. At all times, Clough's goal is to assure itself that current and potential partners, subcontractors and third parties of the Company have in place appropriate compliance programs that appropriately mitigate compliance risks in its projects.

5.3 Instrumental activities at risk of corruption

With instrumental activities at risk of corruption, reference must be made to the transactions or processes where financial instruments are managed and/or instruments that could give rise to benefits or resources with which to support the commission of the crime of corruption. Clough adopted the necessary company procedures to manage and monitor the activities listed below, that govern roles and responsibilities of the personnel involved, in accordance with the principles described in this Model. All the controls described in this paragraph need in any case to be checked with the ones inserted in the relevant procedures published in the Clough Management System.

5.3.1 Sponsorship

Sponsorship can be carried out only with the purpose of promoting the brand, creating visibility and improving Clough's reputation. The Company adopted the necessary procedures to ensure that sponsorship cannot conceal a benefit for a third party in order to gain an undue advantage for the Company. To this end, Clough monitors all possible conflicts of personal interest for any sponsorship activities.

Clough has established methods for authorising, stipulating and managing sponsorship contracts, which must meet the following principles:

- Sponsorships must be consistent with the approved budget;
- The Departments in charge of approving the project must check for potential conflicts of interest in the project to be sponsored;
- Partners in sponsorship agreements must only be well-known, reliable entities, with good reputations;
- Due diligence on potential partners to the sponsorship contract must be carried out by specific personnel, and lawfulness of the agreement must be verified on the basis of applicable laws in accordance with the principle of separating activities/processes;
- Sponsorship agreements must be drafted in writing and must contain:
 - An adequate description of the nature and purpose of the single initiative, the consideration, the terms and the conditions of payment;
 - A declaration by the counterparty that the consideration paid will only be used for the sponsored initiative;
 - The compliance clause, with which the counterparty undertakes to act in accordance with the Code of Ethics and the principles set out under the Anticorruption Model;
 - Clough must have the right to carry out checks on the counterparty if there is a reasonable suspicion that it may have violated the applicable laws, the Code of Ethics and/or the Anticorruption Model.

⁹ The Sponsorships, Liberal Disbursements, Donations and Gifts Procedure.

5.3.2 Donations

Donations to Public entities or private entities are permitted if they fall under the sphere of projects related to social solidarity, humanitarian ends, socio-economic benefit, scientific research, education, the protection and development of natural or artistic heritage, or they must be intended to support events or bodies with significant social or environmental value and are approved in accordance with company procedures. These disbursements will not require any consideration in return. The Company has adopted procedures to ensure that donations are carried out in accordance with the principles of this Model.

Clough has established procedures for the authorisation and payment of donations, which must meet the following principles:

- Departments in charge of checking the consistency with the approved budget and procedures;
- Departments in charge of approving the project must check for potential conflicts of interest in the project to be sponsored;
- The beneficiaries must be well known, reliable and have an excellent reputation. Individual contributions made directly to a Public Official or private entity are prohibited;
- Specific personnel will carry out due diligence on the potential beneficiary, and a check must be made to ensure that such beneficiary has met all the requirements needed to operate in accordance with applicable laws pursuant to the principle of separating activities/processes;
- The relevant departments will check to ensure that the contribution complies with anti-corruption laws and applicable laws;
- All proposals must be reviewed and authorised by the parties with the necessary powers in accordance with the procedures that govern the activities;
- Monetary contributions must be made through traceable, non-transferable payment methods and must be accompanied by an official letter from the Company confirming that it is aware that the purpose of the contribution is lawful;
- Contributions in kind (i.e. the supply of products and/or services) must not only meet the above requirements, but must also be recorded appropriately with the necessary accounting and administrative documentation;
- If appropriate, the beneficiary may be asked to provide representations and warranties relating to the use of the donations, or must be required, where necessary, to provide other reporting tools so that the donated funds can be monitored.

5.3.3 Entertainment and hospitality expenses, gifts and other benefits

Clough adopted the necessary procedures to ensure that the entertainment and hospitality expenses, gifts and other benefits are made in accordance with the principles of this Model.

5.3.3.1 Entertainment, travel and hospitality expenses

Entertainment and hospitality expenses are costs incurred by Clough in buying goods or services for individuals, companies or third parties, which are justified by marketing activities or are aimed at promoting company's brand. Visits to Clough's Corporate offices, out of office meetings and related expenses (for example transport, accommodation, meals and other costs) incurred by Public Officials or employees or directors of a customer or a business partner and/or a supplier may generate a risk of corruption.

The entertainment expenses must be reasonable and made in good faith, and have the following characteristics:

- They must not be paid in cash;
- There must be no consideration;
- They must be justified by lawful business purposes and their main purpose must not be to visit a tourist attraction or a visit for the personal interests of the parties receiving the money;
- They must not be motivated by a desire to exercise undue influence or with the expectation of anything in return;
- They must comply with generally accepted standards of business courtesy;
- They must be in line with company procedures, anticorruption laws and applicable regulations.

All entertainment expenses must be recorded accurately and transparently in Company's accounting records, with sufficient detail. They must be supported by adequate documentation identifying the name of the beneficiaries and the purpose of the payment.

5.3.3.2 Gifts and presents

Presents or other benefits may be given or received within the context of usual business courtesy, where they do not compromise the integrity and/ or reputation of either party and where they cannot be interpreted by an impartial observer as being intended to create an obligation of gratitude or to acquire an undue advantage. Clough has imposed a prohibition on making or receiving, either directly or indirectly, any type of gift aimed at obtaining an undue advantage, either personal or business-related, or any gift that could be interpreted as such.

The only permitted gifts, given for courtesy reasons, must be in line with the procedures adopted by the Company, and more specifically:

Must not exceed the actual or estimated value of what is indicated in the relevant procedure or equivalent in local currency;

- Be given in good faith and according to proper practice;
- Be consistent with generally accepted business courtesy standards (Christmas parcels for example) or have promotional/demonstration purposes;
- Not be paid in cash (or any other type of equivalent payment);
- Be duly authorised, registered and traceable, in line with company procedures, anticorruption laws and applicable regulations.

No presents, gifts or other benefits may be offered to a Public Official.

These principles may not be waived under any circumstances, and also apply in countries where it is usual to offer gifts or benefits that do not meet the above requirements.

5.3.3.3 Special payment

Clough prohibits the payment or direct or indirect promise of payments, benefits or other advantages to Public Officials in order to expedite, favour or secure routine and non-discretionary services, that would otherwise be a normal part of their duties, such as:

- Obtaining non-discretionary business permits;
- Non-discretionary procedures such as customs practices or visas;
- The provision of public services.

These payments known as “special payments” or “facilitated” are in any case prohibited even if they are permitted in accordance with prevailing law in certain countries or in accordance with local habits.

5.3.3.4 Political contribution

Clough prohibits any direct or indirect form of pressure or influence on politicians and has imposed, in line with the provisions of the Code of Ethics, a prohibition on paying direct or indirect contributions to political parties, movements, committees or other political or trade union organisations or to their representatives.

Political contributions can be used as an unfair way of obtaining or maintaining an advantage, such as the award of a contract, permit or licence, or to influence political decisions, etc.

5.3.3.5 Accounting and bookkeeping

The principal anticorruption laws impose specific requirements on bookkeeping, partly in order to discourage and reveal any payments or receipts made for the purpose of corruption.

Clough adopts procedures and controls (also in line with the relevant laws and regulations) to ensure that the accounting records completely and accurately reflect the facts at the basis of each operation, each transaction can be traced and is reasonably supported by the documentation in accordance with the accounting standards adopted by the Company.

All costs, charges, receipts, revenues, payments and expenditure commitments must be promptly recorded in a complete and accurate manner, and must have adequate supporting documentation issued in accordance with all applicable laws and requirements of the internal control system. Any funds or accounts that are not recorded properly are prohibited.

In order to meet these requirements, all the Recipients, without exception, must comply with the rules of law, regulations and procedures on company accounting. In particular, the Recipients may not:

- Ever agree to requests to record an invoice for services that were not rendered or were different from the purpose of the contract;
- Pay unusual, excessive, poorly described or poorly recorded expenses;
- Alter any accounting documentation or change other related documents, in any way that could make the true nature of the transaction unclear or false;

- Take or follow up on measures that would result in the making of inaccurate entries on the accounting ledgers or in the documentation of Clough;
- Approve and/or make payments for work or services if there is an explicit or implicit agreement that part of the payment is to be used for a different purpose from that described in the documentation supporting the payment;
- Make cash payments (or any other type of equivalent payment).

These requirements apply to all transactions regardless of their financial significance.

The Chief Executive Officer / Executive President and the manager responsible for preparing corporate accounting documents verify the effectiveness of the AFC procedures every six months. Audits are carried out bi-annually by the independent auditors as required by ASIC and the relevant Joint Venture agreements.

5.3.3.6 Personnel hiring and management

Clough governs personnel selection, hiring and management process in a way that ensures that the resources have the professional skills and technical and/or managerial competence that matches the company needs and requirements, avoiding favouritism or incentives of any nature, and ensuring its choices are merit-based only. These processes will be carried out in accordance with Clough's procedures, pursuant to the above-mentioned standards and the following principles:

- Personnel must be hired based on business requirements, supported by due authorisation by parties who have decision-making powers;
- The candidates must be assessed by several people under different profiles, and the results of the entire assessment process must be adequately recorded;
- Specific departments will check the ethical reliability of the candidates and the absence of potential or current conflicts of interest, with reference to both dealings with the Public Administration and dealings between individuals and the Company, to be recorded by gathering the necessary declarations ;
- Specific departments will check the performance and achievement of objectives;
- The remuneration and any bonuses must be consistent with the role, responsibilities and company policies;
- The obligation to take part in a modulated training programme in accordance with their positions in activities that are at risk of corruption.



6. MONITORING SYSTEM, IMPROVEMENT AND REPORTING

The Compliance Department of Clough is in charge, on the basis of annual risk-based planning, of checking the compliance of the Anticorruption System with the regulatory requirements, the correct application of anticorruption controls and the identification of potential areas of improvement in relation to the organizational development of the Company, applicable regulations and/ or best practices. The checks may be carried out also following reports from the appropriate channels or suggestions and recommendations from the departments, Compliance Department, the Internal Audit Department or the independent auditors, on the basis of the results of the work they are responsible for. The methods followed by the Compliance Department were developed in accordance with the laws and regulations. The Compliance Department, via the will report to the Board of Directors every six months, through reports that must contain at least the following information:

- A. A summary of the work carried out in the half-year period;
- B. A description of any issues arising in relation to the operating procedures for implementation of the Model;
- C. A summary of complaints received from internal or external persons including the results of any direct investigations into any suspected or verified violation of this Anticorruption Model and/or of internal or external laws, ethical principles or any other anticorruption law, and the result of any subsequent checks;
- D. The list of disciplinary orders or any sanctions applied by the Company in relation to violations as described under point c);
- E. An overall assessment of the functioning and effectiveness of the Anticorruption System, including proposals for amendments or corrections;
- F. Reports on any changes in the regulatory framework and/or significant changes to Company internal structure and/or business methods that would require an updating of the Anticorruption System.

At least once a year, the Managers of the Clough send the Compliance Department a report in relation to any changes to the Anticorruption laws that apply, and/or any areas for improvement, including the formal aspects of the personnel. The Compliance Department will examine the reports, decide on which projects to implement and propose any corrections to the Anticorruption System to the Board of Directors of the Company.

6.1 Notification

The Recipients will have to report any breaches of the Anticorruption System in general and/or any anticorruption law of which they become aware, including indirectly, during their work.

Clough also requires the Recipients to immediately notify the Compliance Department of any unlawful requests received from Public Officials or private entities or of doubts that arise on how to handle relations with third parties.

The reports may be made through the following:

- **The specific platform: <https://webuild.integrityline.io/>**
- **Email: compliance@clough.com.au**
- **Letter marked "confidential" sent to the address: Clough – Compliance Department – Level 6, 250 St Georges Terrace, Perth, WA 6000**

The Compliance Department will also acquire and examine reports relating to possible breaches of the Anticorruption Model and anticorruption laws sent anonymously. In order to protect and safeguard the whistleblower, Clough ensures, through appropriate security measures, the confidentiality of the identity of the whistleblower in the report management process, from receipt through the preliminary inquiry and concluding stage. The investigations are coordinated by the Compliance Department on the basis of the appropriate procedures adopted by the Company.

Whistleblowers are guaranteed protection against any form of retaliation, discrimination or penalisation, subject to the obligations of the law and the protection of the rights of the Company or of the individuals in the case of instrumental use or accusations made in bad faith. Refer to Clough's Whistleblowing Policy for further information.

Clough will not tolerate any kind of retaliation against an employee who reports a suspected episode of unlawful behaviour.

The reporting systems mentioned above may also be used to submit ideas for improvement in the Anticorruption System.

7. THE SANCTIONS SYSTEM

The infringement of the principles and provisions of this Anticorruption Model and in general the Anticorruption System by Clough personnel will constitute a serious contractual breach, for which the Company reserves the right to sanction said infringements in accordance with the law and/ or contract that applies to the individual relationship, and disciplinary measures through termination of the contractual relationship (dismissal or termination). This is subject to the right of the Company in any case to bring actions for compensation for damages in accordance with prevailing laws.

This includes but is not limited to the Company issuing sanctions against the Clough personnel that:

- Breach Anti-corruption laws or the Anticorruption System of the Company;
- Failure, for no reason, to raise or report any breaches or threats or retaliate against others who report any breaches;
- Do not take part or do not complete training sessions in the timeframes and terms indicated by the Company.

Breaches by the personnel will be punished – in accordance with the procedures, methods and timeframes set out under the applicable laws and/ or contracts – on a timely, immediate basis, through the issue of adequate disciplinary measures that are proportional:

- a. To the seriousness of the breach;
- b. To the consequences of the breach;
- c. To the subjective degree of guilt and intention; and
- d. To the position held,

Also taking account of any criminal significance of the behaviour breaching the Anticorruption System and the possibility of taking criminal action.

To the extent compatible, the sanctions will also apply to the directors, statutory auditors of the Company and the other Recipients.

No disciplinary sanctions will be taken in the case of refusal by the Recipients to act in a way that violates this Anticorruption Model and/or the Anti-corruption laws, even if this results in Clough losing business, or has a negative effect on its plans.

The infringement of the principles and provisions of the Anticorruption Model by third parties is a serious contractual breach, following which the Company reserves the right to terminate the contractual relationship.

8. COMMUNICATION AND TRAINING

In order to spread adequate awareness and understanding of the contents of this Model, Clough requires its employees to attend a mandatory anticorruption training programme.

The level of training is modulated, according to different levels of study, depending on the position of the trainees and the various levels of their involvement in activities that are at risk of corruption. In order to make the training more efficient, the course includes a final test. Clough provides that specific training sessions on this Anticorruption Model and the anticorruption laws must be organised for personnel with a high level of involvement in the above-mentioned sensitive activities.

Training is organised by the specific unit that forms part of the HR and Organization Department, and the collaboration of the relevant department. This Department is responsible for the course planning and the filing of the material distributed and the documentation used, and for registering the participants. The assessment of the training requirements in accordance with usefulness, interest and participation, teaching, training materials and organisation criteria will be carried out each year by the relevant department, with support by the Compliance Department.

New employees are also provided with a copy of the Anticorruption Model (and a copy of the Code of Ethics) and must sign a declaration from compliance with its principles.

Clough also requires that, within the first six months of hiring, and whenever considered necessary (for example after significant changes to the content of the Anticorruption Model and/or Anticorruption laws), training courses are held on this Anticorruption Model and on anti-corruption laws in order to raise awareness of the principles, commitments and their mode of implementation.

The Anticorruption Model is available on the Company Intranet and for all the external stakeholders of the company on the company website at <http://www.cloughgroup.com>. External stakeholders are also provided with information and documents needed to ensure that their corruption prevention plans contain controls and/or objectives that are at least equivalent to those of the Clough Anticorruption System.



9. DEFINITIONS

ACTIVE CORRUPTION	Deliberate action of anyone directly or indirectly promising or giving a financial advantage or other benefit to a Public Official or private individual for themselves or for third parties, for acting or refusing to act in accordance with their duties or that infringes their official obligations or the obligation of loyalty.
ANTI-CORRUPTION SYSTEM	The Policy, the Anti-corruption Model and the Anti- corruption Guidelines "Assessment of Significant Third Parties".
CONFLICT OF INTERESTS	Situation that occurs when a party who has been given a certain decision-making responsibility has personal and/or professional interests that conflict with the impartiality requested by said responsibilities, which may be impaired by those interests.
COERCIVE PRACTICES	Damaging or the threat to cause damage, directly or indirectly, to a party or to goods owned by the party in order to inappropriately influence their actions.
COLLUSIVE PRACTICES	An understanding or agreement between two or more parties established to achieve an unlawful purpose, including unlawfully influencing the actions of another party.
CORRUPT PRACTICES	The offer, giving, receipt or request, direct or indirect, of any benefits to influence the action of a public official.
DIRECT CORRUPTION	Act of corruption carried out directly by one individual to another.
DONATION	Contribution (money or goods) given to natural persons, who are not employees of Clough, or legal persons (State, public entities/ institutions, non-profit foundations/ associations, ONLUS, etc.) without asking for anything in return. Donations may be given in money or in kind to an entity.
ENTERTAINMENT EXPENSES	Provision of goods or services free of charge, resulting from relationship obligations and/or hospitality duties, on the basis of commercial practices in the industry and in relation to the business activities, aimed at maintaining and increasing the positive reputation of Clough.
FRAUDULENT PRACTICES	Any action or omission, including a misleading representation, that knowingly or negligently misleads or attempts to mislead a party in order to obtain a financial advantage or other advantage or to avoid the fulfilment of an obligation.
GIFT	Item given free of charge as a unilateral act without anything in return.
HOSPITALITY EXPENSES	Entertainment expenses incurred (for example travel, food and lodging expenses) to host suppliers, customers or other parties, in relation to the business activities.

9. DEFINITIONS

IMPEDIMENT	Conviction of the Significant Third Party, with final ruling, for one or more crimes of corruption, fraud, money laundering or involvement in a criminal conspiracy/ organisation; presence of the Significant Third Party on the Sanction Lists and the Debarment List; temporary or definitive prohibition on contracting with public entities in any way or for activities financed by accredited financial institutions such as the Multilateral Development Banks.
INDIRECT CORRUPTION	Act of corruption carried out by a third party acting on behalf of another person.
MULTILATERAL DEVELOPMENT BANK	Any supranational financial institution whose principal mandate is to reduce poverty and promote economic development (such as the World Bank, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank and the European Bank for Reconstruction and Development).
OBSTRUCTIVE PRACTICES	The action of deliberately destroying, falsifying, altering or hiding relevant evidence for the purposes of an investigation and/ or threatening, molesting or intimidating a party to prevent the party from revealing what he/she knows regarding issues relating to an investigation or the continuation of the investigation, or (b) the action of materially obstructing the exercise of contractual rights of the Multilateral Development Bank in question from controlling or accessing information that any bank, authority or other equivalent body of the European Union or its Member States have in accordance with any law, regulation or treaty, or on the basis of any agreement that said Multilateral Bank has agreed in application of said law, regulation or treaty.
PARTNERSHIP AGREEMENT	An agreement with two or more companies (also from different countries) working on one or more projects, in order to share risks and exploit knowledge, aimed at incorporating joint ventures, consortia, temporary associations, associations, collaboration agreements or other entities with or without legal status.
PASSIVE CORRUPTION	Action decided by anyone who directly or indirectly receives or requests or accepts promises to obtain an economic benefit or other benefit from a Public Official or private party, for themselves or for third parties, to act or refuse to act in accordance with their duties or in the exercise of their functions in breach of their official obligations or the obligation of loyalty.
PRACTICES SUBJECT TO SANCTION	Passive Corruption, Active Corruption, Corrupt Practices, Fraudulent Practices, Coercive Practices, Collusive Practices, Obstructive Practices, money laundering or terrorist financing.
PUBLIC ADMINISTRATION	Includes in general any body, instrument or company that carries out government bodies/entities, any agency, office or body of the European Union, any company owned, controlled or with a stake, including in part, of an Australian or foreign government, any public international organisation such as the United Nations or the Multilateral Development Banks or any political party or candidate for an Australian or foreign political position.

9. DEFINITIONS

<p>PUBLIC OFFICIAL</p>	<p>This usually refers to any public official, including but not limited to elected or appointed officials; any employee or other person acting on behalf or in the name of a public official, body, agency or company performing a government function; any employee or other person acting on behalf of an entity entirely or partially held or controlled by the government; any political party, official, employee or other individual acting on behalf or in the name of a political party or any candidate for public office; any employee or person acting on behalf of a public international organisation (such as the United Nations or World Bank) or a Multilateral Development Bank. This definition includes all officials and employees of companies owned or controlled, even partially, by the government, including all employees of companies and agencies owned by the government even if those companies run as private enterprises. In some cases it may not be clear whether a company is actually owned by the government. Please contact the Compliance Department if there are any doubts. The definition of public official also includes persons engaged in public service - i.e. those who provide public services of any nature. Public services refers to activities governed in the same forms as public functions, but without the typical powers as public functions, not including the execution of simple tasks of keeping order or providing works of a merely material nature.</p>
<p>RED FLAG</p>	<p>Any circumstance or event capable of signalling a violation of the Anti-corruption laws, principles of the Anti-Corruption Model or Guidelines, in relation to a potentially risky situation.</p>
<p>SOCIAL SOLIDARITY</p>	<p>Free actions aimed at parties "who need assistance or are vulnerable" that offers social-charitable, healthcare, social-rehabilitative, social-re-educational support and the protection of rights.</p>
<p>SPONSORSHIP</p>	<p>Expenses aimed at corporate promotion to improve the image or general reputation of the Company.</p>



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