

All Group Policies are intended to set out the minimum principles to which the Group subscribes – where necessary, local companies should adjust policies to take into account local requirements, specifically local currencies where amounts are stipulated

Compliance Policy

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Owner: Alex Iapichino

1. INTRODUCTION

Majestic acknowledges that it operates in a number of regulated and controlled environments. Compliance with the legislation is fundamental to the continued business of the Group.

It is the policy of the Group to comply with all the applicable laws through the continuous improvement of its regulatory compliance systems and processes.

A distinction should be made between regulatory compliance and compliance with internal procedures. This Policy strives to address regulatory compliance.

The principles set out in this policy are applicable across the Group; however, each subsidiary is responsible for ensuring that any compliance obligations, specific to its jurisdiction, are included in an entity specific annexure (compliance plan) to this policy.

2. POLICY

2.1 The Group ensures compliance is achieved by:

- a. Identifying the laws and regulatory obligations that are applicable, including the non-binding rules and standards to which the Group wishes to comply through a process of continued and ongoing monitoring of all new legislation and standards as published from time to time;
- b. Ensuring that the board members understand the requirements and are updated on the changes. This is accomplished by the monthly updating of the Compliance Checklist and the submission of a quarterly compliance report to the Audit Committee;
- c. Implementing a comprehensive compliance process and regularly monitoring compliance to the process through the governance structures and inclusion on the board agenda which may be via reporting from the Audit Committee;
- d. Managing compliance risk through the risk management process which includes the necessary tools to detect, report and manage compliance risks;
- e. Embedding compliance in the operations and processes, ethical conduct and culture of the Group;
- f. Establishing a compliance function to assist in the management of compliance; and
- g. Disclosing how effective compliance has been achieved through a standard compliance report / plan which is updated monthly.

2.2 Compliance is demonstrated by:

- a. Regularly reviewing the compliance universe and determining which laws, regulations and non-binding rules and standards apply to the Group through:
 - o Monitoring of all new legislation

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- o Receiving updates and circulars from relevant organisations such as the QCA, Institute of Chartered Secretaries (ICSA), External legal advisors and Institute of Directors (IOD)
- o Attending seminars and conferences where legal and compliance updates are provided;
- b. Assessing the basis of how compliance is achieved to these laws and regulations;
- c. Receiving assurance through the risk management and assurance processes that compliance is achieved;
- d. Placing reliance on the work conducted by internal and external audit where relevant;
- e. Designing specific compliance activities to evidence the actions taken to ensure compliance. These are evidenced from the action column of the Compliance Report;
- f. Embedding compliance activities into the operational processes where applicable.

3. PROCEDURE

- 3.1 The procedure to implement and measure compliance includes documented controls and systems and is capable of measurement through the Compliance Report (See Appendix A).
- 3.2 The Compliance Report is not, and is not intended to be, an exhaustive list of all obligations in terms of the legislation and it is intended only to monitor and report on the high level actions required to ensure compliance. In this regard, the principle of materiality is applied.
- 3.3 The compliance procedure includes:
 - a. Proactive identification of new and changed laws, regulations and standards;
 - b. Determining the compliance universe of the Group as set out in the compliance plan;
 - c. Annual confirmation that the laws, regulations and standards are accurately reflected on the Compliance Report;
 - d. Translation of laws, regulations and standards accurately into specific compliance obligations;
 - e. Monthly updating of the Compliance Report based on information provided by management the correctness of which is assured by the relevant process owner;
 - f. Inclusion of Regulatory Compliance in the risk assessment process;
 - g. Mitigation of all identified compliance risks through clear communication of all compliance obligations within the organisation and timeous addressing of all issues which may impact on compliance activities;
 - h. Ongoing monitoring and reporting of compliance activities.
- 3.2 All material and / or repeat transgressions of a compliance nature shall be included in the annual report together with action plans and time lines to address same.
- 3.3 Implementation of the policy is executed by suitably qualified staff with sufficient knowledge, experience, professional and personal skills and who have an overall understanding of the business including the obligations, legislation and standards which impact on the business.
- 3.4 This Policy should be read in conjunction with the Standard Operating Procedures, the Code of Ethical Conduct, and policies relating to Conflict of Interests, Donations and Gifts and Fraud Prevention, as well as the Risk Management Policy.

4. RESPONSIBILITY

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Ultimate responsibility for regulatory compliance rests with the Board of Directors who must consistently seek and obtain tangibly supported assurance from management that there is compliance.

The Board of Directors must satisfy itself that:

- a) It knows what the regulatory compliance obligations of the Group are;
- b) It receives credible and substantiated assurance of compliance;
- c) Compliance is regularly considered by the Board;
- d) It is effectively apprised of changes in the regulatory environment;
- e) It has the necessary evidence to prove compliance;
- f) The information provided accurately reflects the actual position of the Company; and
- g) It has been timeously notified of any non-compliance and that appropriate remedial action has been taken.

5. POLICY REVIEW

The Policy will be reviewed and revised as and when necessary.