



Effective Date

22 November  
2023

Document No. MD-DCPL-002

Rev. 02.

**Policy on Gifts, Hospitality, Donations and Similar Benefits**

**Table of Contents**

**REVISION HISTORY ..... 1**

**1. INTRODUCTION ..... 2**

**2. OVERVIEW ..... 3**

**3. REFERENCES ..... 3**

**4. TERMS AND DEFINITIONS ..... 4**

**5. GIFTS, HOSPITALITY AND SIMILAR BENEFITS ..... 4**

**6. CONTRAVENTION OF THE PROCEDURE ..... 11**

**7. CONTACT INFORMATION AND PROCEDURE CLARIFICATION ..... 11**

**8. APPENDIX ..... 13**

<b>Next Revision Date</b>	
---------------------------	--

<b>Revision History</b>		
<b>Rev No</b>	<b>Changes</b>	<b>Date</b>
01	-Law 31740 was added Law that amends law 30424, law that regulates the administrative responsibility of legal persons, to strengthen the anti-corruption regulations referring to legal persons and to promote good corporate governance. -In item 5. 2.1 was added: Gifts that are NOT corporate merchandise from business partners regardless of their value CANNOT AND MUST NOT be accepted by the collaborator. -In item 5.4, the FRM-MDI-FIN-0001-S_Financial Approval Matrix - International Entities format was added.	20/11/2023

## Policy on Gifts, Hospitality, Donations and Similar Benefits

### 1. INTRODUCTION

Master Drilling aims to have a professional relationship with all of its business partners (customers, suppliers, etc.). Employees should therefore maintain the highest standard of integrity in all business relationships and reject any business practice which may reasonably be deemed improper.

Within the supply chain and business management environment, it is particularly important to demonstrate the highest standard of engagement with our customers, suppliers, and ensure that employees exemplify the highest standard of conduct.

This procedure is not intended to discourage any opportunity to foster good relationships with business partners and other stakeholders through casual and legitimate social interactions. Section 5 provides a comprehensive guide to a number of scenarios in which giving or receiving gifts, hospitality, donations and similar benefits may be permissible.

The receipt, offering, acceptance or providing of inappropriate gifts, hospitality, donations or similar benefits may cause suspicion of bribery, create a conflict of interest or cause embarrassment to the company and may cause reputational damage. Particular concerns arise when there is a possibility that the offering of gifts, hospitality, donations and similar benefits is connected in some way with an actual or potential business transaction or regulatory approval. Even if the intent is not corrupt, there is still a risk that a recipient or an objective third party may perceive the offering to be an attempt to gain an improper advantage

Any gift, hospitality, donation or similar benefit is always unacceptable if it:

- is offered or made in exchange for a contract or any other benefit;
- is offered to obtain an advantage in the conduct of business;
- is in breach of local or international bribery laws;
- would adversely affect the company's reputation, should it become public;
- may create a sense of obligation;
- may affect, or it may be perceived by others that it affects, the judgment of employees regarding business transactions (orders and contracts) and business criteria.
- may create, or appear to create a conflict of interest;
- is obtained through solicitation (i.e., employees requesting favours or gifts from business partners or potential business partners).

## Policy on Gifts, Hospitality, Donations and Similar Benefits

### 2. OVERVIEW

#### 2.1. Purpose

The purpose of this procedure is to set out specific standards of conduct regarding the giving and receiving of gifts, hospitality, donations and similar benefits.

#### 2.2. Applications

This Policy applies to all employees, intermediaries and business partners of Master Drilling, as well as third parties that have agreements with the company.

This document applies to all full time, part time and temporary employees within the company, as well as pre-professional and professional interns. The definition of employees further extends to all persons that conduct business on behalf of Master Drilling (also referred to as intermediaries).

### 3. REFERENCES

- Law No. 30424 - Law regulating the administrative liabilities of legal entities that commit active transnational bribery.
- Law 31740 Law that amends law 30424, law that regulates the administrative responsibility of legal persons, to strengthen the anti-corruption regulations referring to legal persons and to promote good corporate governance.
- Legislative Decree 1352 - Legislative Decree that extends the administrative liabilities of legal entities, modifying various aspects of Law No. 30424.
- Law No. 30835 - Law that modifies the name and articles 1, 9 and 10 of Law 30424 published on August 2, 2018.
- Supreme Decree No. 002-2019-JUS - Supreme Decree that approves the Regulation of Law No. 30424, which rules the administrative liabilities of legal entities.
- Legislative Decree No. 1106 - Legislative Decree to fight against money laundering and other crimes related to illegal mining and organized crime.
- Decree Law No. 25475 - Establishing the penalties for terrorism and the procedures for investigation, prosecution and trial.
- Law No. 27765 - Criminal Law against Money Laundering, and its amendments.
- Resolution of the Superintendency of the Securities Market No. 006-221-SMV/01 "Guidelines for the implementation and operation of the prevention model (Law No. 30424, its amendments and its regulations)".
- Legislative Decree No. 1385 - Legislative Decree that sanctions corruption in the private sector.
- International Standard ISO 37001 – Anti-bribery Management System – Section 8.7.
- Code of Conduct and Ethics (MD-DCPL-001)
- Integrity Guidelines Manual (MD-MCPL-001)

## Policy on Gifts, Hospitality, Donations and Similar Benefits

### 4. TERMS AND DEFINITIONS

- 4.1. **Benefit:** Improvement that a person experiences thanks to something that is done or given to them.
- 4.2. **Goods:** Tangible goods continuously used by a company in the normal course of its operations that do not include machinery, equipment and components.
- 4.3. **Machinery:** All Raise Borer and Blind Hole Drilling machines and their respective packs.
- 4.4. **Equipment:** Reamers, electric motors, centrifugal pumps and containers used to provide drilling services.
- 4.5. **Components:** All drilling equipment - Down Hole Equipment (DHE).
- 4.6. **Donation:** When an individual or legal entity irrevocably transfers part or all of their current goods for free.
- 4.7. **Hospitality:** Meals, beverages, shows, entertainment (such as tickets or invitations to sporting or cultural events), travel, lodging (such as hotel stays), and other forms of hospitality for which the recipient does not pay fair value. Hospitality also includes reimbursement of promotional expenses, such as travel and accommodation expenses that are related to the promotion.
- 4.8. **Sponsorship:** Support or financing that a business partner or Master Drilling performs or receives in exchange for rights and/or benefits.
- 4.9. **Gift:** All gifts in the form of products, services, cash or equivalents (such as checks, traveller's checks, gift cards, gift certificates, vouchers, loans, and shares) and all business courtesies, gratuities, favours, and other things for which the recipient does not pay fair value.
- 4.10. **Bribery:** When money, benefits or anything else valuable is offered, promised or delivered to influence official decisions or to obtain a commercial advantage or other type of advantages.
- 4.11. **Business Partner:** External party with whom the organization has or plans to establish some kind of business relationship, such as suppliers or customers.

### 5. GIFTS, HOSPITALITY AND SIMILAR BENEFITS

#### 5.1. General

As a general principle, no employee may offer, give, accept or receive gifts, hospitality, donations or other similar benefits from any existing or potential business partner, apart from the exceptions provided in this document.

When considering gifts, hospitality and similar benefits, the following guidelines must always be taken into account:

- Hospitality offered and received is not lavish nor disproportionate and the value is reasonable.
- The frequency of gifts or hospitality provided to the same recipient would not create the appearance of impropriety.

## Policy on Gifts, Hospitality, Donations and Similar Benefits

- Caution should be exercised when accepting or using advertising or promotional / branded items and participating in activities that could give the appearance of promoting one supplier over another.

The company reserves the right to establish maximum amounts to limit gifts, hospitality, donations and similar benefits according to the operations.

Any gift, hospitality or similar benefit must be delivered only at the Master Drilling facilities, and be registered by the Administrative Secretary in the "Gifts, Entertainment and Hospitality Register".

In the event that the gift, hospitality or similar benefit arrives directly at the employee's address or is delivered outside the company's facilities, and requires the approval of the Compliance Officer or is not covered in this document, the employee must inform the Compliance Officer.

It is the employee's responsibility to inform the Compliance Officer, as soon as reasonably possible, about offering or accepting a gift, hospitality or similar benefit that requires approval by the Compliance Officer.

The Compliance Officer is responsible for reviewing the registry at least every three months, to check for irregularities.

The employee must be careful and respect the business partner policy regarding the receipt of gifts and hospitality prior to the offer being made.

It is the responsibility of the company's employee to ensure that the recipient of the gift or hospitality is aware of this Policy.

In order to guarantee the correct application of this Policy, it will be available internally on SharePoint and externally on Master Drilling website.

The salient points of the policy will form part of the general induction.

The Compliance Officer may meet with the Integrity Committee to issue an approval on cases not specified in this document.

In case of detecting any irregularity, which may include:

- Delivery/acceptance of benefits for a value that exceeds the limit established for each case without the approval of the Compliance Officer, on numerous occasions and by the same employee or the same business partner.
- There is a conflict of interest in the acceptance/delivery of gifts or benefits.
- Approval by an unauthorized employee of the acceptance of gifts or similar benefits.

If deemed necessary by the Compliance Officer, the relevant investigations will be carried out to find out the reasons for such irregularity, in accordance with the provisions in the Policy for Raising Concerns and Investigating Crimes.

### 5.2. Gifts



## Policy on Gifts, Hospitality, Donations and Similar Benefits

- 5.2.1. Gifts that may be given or accepted without the approval of the Compliance Officer are listed below:
- a) Corporate branded merchandise of modest value (not exceeding USD 30 or its equivalent in any other currency) may be occasionally given (e.g., pens, key fobs, lanyards, note pads) to the business partner.
  - b) Gifts (e.g., corporate merchandise, among others) from business partners with a value not exceeding USD 50 or its equivalent in any other currency may be accepted by the employee.
  - c) Gifts that are NOT corporate merchandise from business partners regardless of their value CANNOT AND MUST NOT be accepted by the employee.
  - d) Plaques or items commemorating special events, such as flower arrangements, may be offered, provided that:
    - a. Master Drilling/Company logo or the name of the company that delivers them is included.
    - b. They are delivered in a commemorative event.
    - c. It does not exceed S/ 500.00 (Five hundred and 00/100 soles) or its equivalent in foreign currency.
  - e) Gifts on the occasion of special festivities, such as national holidays, Christmas and corporate anniversaries, New Year's Eve, etc., provided that:
    - a. It does not exceed S/ 500.00 (Five hundred and 00/100 soles), cumulative per year or its equivalent in foreign currency (either individually or jointly), per employee.
    - b. All the values established in the union specifications will be in strict compliance with the "Act of Negotiation of Union Specifications".
  - f) Gifts from SHEQ department: Safe worker and safety campaigns, provided that:
    - a. Safe worker: It does not exceed S/ 200.00 (Two hundred and 00/100 soles) or its equivalent in foreign currency per employee and per campaign.
    - b. Safety campaigns: It does not exceed S/ 200.00 or its equivalent in foreign currency per campaign.

All gifts that are not explicitly included in the previous section must be assessed and approved by the Compliance Officer before its acceptance or offer. Once approved, they shall be registered in the "Gifts, Entertainment and Hospitality Register".

If a gift is to be rejected pursuant to a Compliance Officer's decision, Master Drilling will return the item to the sender (customer, supplier, etc.) and the employee (recipient) will send an e-mail to the sender with a copy to the e-mail of the Compliance Officer for transparency purposes, thanking the business partner and informing about the Company's Gifts, Hospitality, Donations and Similar Benefits Policy within 7 business days or as soon



## Policy on Gifts, Hospitality, Donations and Similar Benefits

as reasonably possible if the employee is on a trip (see Annex 1 for a sample letter of communication to the business partner).

In cases where refusing gifts would be disrespectful or where it is not practical to return the item, it should be reported to the Compliance Officer and the item should be donated or raffled at the discretion of General Management. Any gifts that are donated or raffled must be recorded in the "Gifts, Entertainment and Hospitality Register".

### 5.3. Hospitality or Similar Benefits (Including Attendance at Business Functions)

The company acknowledges the need to foster and maintain good relationships with current and potential business partners and is empathetic to the cultural nuances which may exist in certain geographies. Hospitality is an area which is under increased scrutiny and employees need to be aware of the appearance of impropriety that excessive hospitality (including business partners lunches) may create. Where the value or intention behind an offer will not create an appearance of impropriety, the employee may apply for approval related to attendance at the function or event.

In the case of trips made by Master Drilling employees, the following rules shall be followed:

- Trips within the country, as long as they do not exceed USD 150.00 per day per person (including accommodation, local transportation, meals). This amount does not include air tickets.
- Trips abroad, as long as they do not exceed USD 600.00 per day per person (including: accommodation, local transportation, meals). This amount does not include air tickets.

In instances of sanctioned business meals, either locally or when an employee travels, the employee may first offer to pay for their and their business partner meals, and recoup expenses in accordance with the re-imbursment procedure established by the Company.

In instances where an employee is travelling with a business partner or potential business partner over an extended period, payment of meals may be alternated between the employee and the other party in equal proportions without a need for declaration of the hospitality provided that, on balance, the meals are similar in value. When the payment is not made proportionally, the employee must notify the Compliance Officer to record it in the "Gifts, Entertainment and Hospitality Register".

Hospitality that may be given or accepted without the approval of the Compliance Officer are listed below:

- a) When employees are at the business partner or potential business partner's office for bona-fide business discussions and a meal or modest entertainment is provided through the in-house caterer. In the same way, if the employees host a meeting with a business partner or a potential business partner in the company's facilities and a meal or some form of entertainment is provided through the company's in-house caterer.





## Policy on Gifts, Hospitality, Donations and Similar Benefits

- b) Payment of business-related meals with reasonable prices according to the occasion and not frequently, for bona fide business discussions held outside the company or the business partner premises, offered to the employee.
- c) Invitations to breakfast, lunch or dinner offered to Customers outside the company's facilities as long as they do not exceed USD 150 per person and per event.
- d) With prior authorization from the Administration and Finance Manager, Human Resources grants a bonus for years of service to employees in accordance with the "Years of Service Policy" (MD-IRH-012).

Hospitality that may be offered or accepted with the authorization of the Compliance Officer and before the event takes place are listed below:

- a) With prior authorization from your immediate Manager, invitations to educational or cultural events (seminars, congresses and the like);
- b) Attendance at supplier's or customer's sponsored charity events are permitted only on condition that Master Drilling makes a donation to the charity and with prior authorization from the General Manager.
- c) Attendance at supplier's or customer's events not related to the business (such as sporting events, social events, trips, concerts, etc.), regardless of whether the event occurs during business time or private time, with prior authorization from the General Manager.
- d) Attendance at bona-fide business functions, with prior authorization from the General Manager, provided that:
  - a. The value of the ticket must not be extravagant;
  - b. The supplier or customer must be an existing supplier or customer;
  - c. Other customers or business partners must also be in attendance;
  - d. The funding of any travel and accommodation costs for the business partner and employee must be born respectively by the business partner and the company.

Any hospitality that is not explicitly included in the previous section must be assessed and approved in writing by the Compliance Officer before its acceptance.

Any hospitality approved by the Compliance Officer must be recorded in the "Gifts, Entertainment and Hospitality Register".

If hospitality is to be rejected pursuant to a Compliance Officer's decision, the employee (recipient) will send an e-mail to the sender with a copy to the e-mail of the Compliance Officer for transparency purposes, thanking the business partner and informing about the Company's Gifts, Hospitality, Donations and Similar Benefits Policy within 7 business days or as soon as reasonably possible if the employee is on a trip (see Annex 1 for a sample letter of communication to the business partner).





## Policy on Gifts, Hospitality, Donations and Similar Benefits

In cases where refusing hospitality would be disrespectful or where it is not practical to return the invitation, it should be reported to the Compliance Officer and it should be disposed or other actions should be taken at the discretion of General Management. Any gifts that are donated or disposed must be recorded in the “Gifts, Entertainment and Hospitality Register”.

### 5.4. Donations and Sponsorships

Monetary donations can only be made by check or bank transfer. All entities that receive donations from Master Drilling must issue a donation certificate or a similar document. The payment of a membership in charitable or philanthropic organizations is also considered a donation. Master Drilling will only be able to make donations pursuant to the following parameters:

- In compliance with applicable laws.
- They are not made to obtain an improper business advantage.
- In favour of non-profit organizations duly constituted and that are entities that receive donations, otherwise it shall be informed via e-mail to the Compliance Officer for evaluation.
- To help philanthropic causes or activities in sports, art, culture, education, science or any social activity.
- For people with limited resources in the event of natural disasters or man-made events that cause damage to the community.
- If they do not exceed USD 5,000 per donation, they are approved by the General Manager and the Compliance Officer, under the approval guidelines of matrix FRM-MDI-FIN-0001-S\_Financial Approval Matrix - International Entities

The representative of the entities, communities, and other organizations that receive non-monetary donations (goods) from Master Drilling shall sign a Receipt Certificate or make pictures to have a record of the donations. Master Drilling will only be able to make donations pursuant to the following parameters:

- In compliance with applicable laws.
- They are not made to obtain an improper business advantage.
- In favour of non-profit organizations duly constituted and that are entities that receive donations, otherwise it shall be informed via e-mail to the Compliance Officer for evaluation.
- For people with limited resources in the event of natural disasters or man-made events that cause damage to the community.
- If the goods exceed USD 1,000 per donation, they are approved by the General Manager.

Master Drilling will only be able to be a sponsor pursuant to the following parameters:

## Policy on Gifts, Hospitality, Donations and Similar Benefits

- In compliance with applicable laws.
- They are not made to obtain an improper business advantage.
- If they do not exceed USD 10,000, they are approved by the General Manager.
- Only by check or bank transfer, not in cash.
- It shall be accredited by audio-visual, printed or similar proof.

All the donations and sponsorships made shall be previously informed to the Compliance Officer and recorded in the "Gifts, Entertainment and Hospitality Register".

### 5.5. Unacceptable Practices

Listed below are certain types of gifts, hospitality, donations, and similar benefits that shall never be received or offered:

- a) Any gifts of cash or cash equivalents (e.g., gift certificates, loans, stocks, stock options, bonds or items of redeemable value, gift cards or checks that can be used as cash, regardless of the method, duration, instructions, etc.), gold or precious metals.
- b) Payment of transportation (plane, ground transportation or river tickets) both inside and outside the country, or accommodations that are not specified in contracts or agreements.
- c) Offers of personal favours or other treatment of a preferential nature (for example, goods or services free of charge or at artificially reduced prices compared to those commonly available in the marketplace).
- d) Payment of expenses for shopping trips (e.g., offers to cover personal shopping expenses while travelling), or trips not related to business;
- e) Gifts to, or the provision of entertainment for, spouses, family members or other individuals having a close personal relationship with the employee.
- f) Payment of accommodation or travel costs, of any nature, while travelling locally or abroad, including business related travel;
- g) Holiday or weekend accommodation of any nature;
- h) "Adult" entertainment, or any sort of activity involving lewd behaviour;
- i) Product samples that are either offered by suppliers or requested by the employee for personal use.
- j) Gifts for public officials.
- k) Personal financial assistance (gifts) of any kind to/from stakeholders or business partners.
- l) Trips or invitations that come from or whose recipients are public officials, political parties or the like.
- m) Donations, sponsorships and contributions to political parties or public officials.



## Policy on Gifts, Hospitality, Donations and Similar Benefits

Employees may not accept or receive any gratuity or donation, including donations made to a charity on behalf of the employee or an employee interest, from any existing business partner of the company or third party related to the company.

Employees must reject any other personal favours or treatments of a preferential nature from suppliers or customers, regardless of their position, to prevent the employee from developing an affinity or having the obligation to respond favourably to the services, bids or business proposals from customers or suppliers.

### 6. CONTRAVENTION OF THE PROCEDURE

#### 6.1. Breach of this Procedure

This procedure is introduced to ensure that employees are aware of the rules regarding the accepting or giving of gifts, hospitality, donations and similar benefits. Master Drilling provides appropriate guidance and governance on this document in order to recuse potential reputational risk introduced through accepting or offering gifts, hospitality, donations and similar benefits in order to safeguard both the company's and its business partner's interest.

As such, breach of this document will result in disciplinary action in accordance with disciplinary procedures.

We are committed to reporting all instances of corruption and other forms of dishonesty to the relevant authorities and to facilitating criminal action against individual(s) concerned. And we will seek redress for any losses arising from such actions.

In addition to potential civil and criminal action being brought about in the event of a deliberate breach of this procedure, disciplinary action may involve further sanctions up to and including summary dismissal.

If employees believe that their own or someone else's actions may have contravened this Policy, they should advise the Compliance Officer as soon as possible.

The company will not tolerate any form of retaliation against employees or business partners raising concerns in good faith. Allegations, retaliation, harassment, or intimidation against an employee or business partner by others as a result of a call to Deloitte will be investigated and appropriate action taken, including disciplinary action that may include the termination of the employee responsible for such retaliation. Matters raised will be dealt with as stipulated in the Policy for Raising Concerns and Terrorism Investigation.

### 7. CONTACT INFORMATION AND PROCEDURE CLARIFICATION

If you have any questions or concerns, please contact the Compliance Officer regarding any query that extends beyond the scope of this Policy or where there is doubt as to the applicability of this document.

Questions or concerns regarding gifts, travel, hospitality, donations and similar benefits should be addressed to the Compliance Officer prior to offering, giving or receiving them.



Effective Date

22 November  
2023

Document No. MD-DCPL-002

Rev. 02.

## Policy on Gifts, Hospitality, Donations and Similar Benefits

Approval			
ITEM	PREPARED BY	REVIEWED BY	APPROVED BY
SIGNATURE			
DESIGNATION	IMS Specialist	Compliance Officer	General Manager
NAME	Rosly Torres	Jesus Figueroa	Belisario Tijero
DATE	2023/11/15	2023/11/15	2023/11/15

**Policy on Gifts, Hospitality, Donations and Similar Benefits****8. APPENDIX****APPENDIX 1****SAMPLE NOTE TO BE SENT TO BUSINESS PARTNERS UPON RECEIVING AN OFFER OF A GIFT, HOSPITALITY, DONATION OR OTHER SIMILAR BENEFITS**

Company Name

Building Name

Town / City

Country / Postcode / Country

Date

Dear Sir / Madam

**RE: MASTER DRILLING PERÚ PROCEDURE REGARDING GIFTS, HOSPITALITY, DONATIONS OR OTHER SIMILAR BENEFITS**

Thank you for the kind consideration of the gift (state name of gift, hospitality, or similar benefit, if known), which was received on (date). The gesture is greatly appreciated and I value the effort that you have taken to ensure delivery of this to me.

Within the environment in which we operate, we acknowledge that the offering or providing of gifts or hospitality may be customary and seen as a sign of goodwill. It is however with regret that I respectfully decline the gift in accordance with our Gifts, Hospitality, Donations and Similar Benefits Policy.

As an organization, we are committed to the fostering of good relations with all our stakeholders and work with our suppliers/customers to ensure that our processes are transparent and applied equally and consistently throughout our organization.

I look forward to building our relationship and invite you to share any questions or comments about our policy or procedures.

Sincerely,

Name

Designation