



ANTI-BRIBERY AND ANTI-CORRUPTION CODE OF CONDUCT- Guidelines

VLK TRADERS (S) PTE LTD

Anti-Bribery and Anti-Corruption Code of Conduct

1. PURPOSE

Anti-Bribery and Anti-Corruption Code of Conduct serves as an unambiguous guide for all employees on a uniform standard of conduct and ethics in all areas of business activities where bribery and/or corruption can occur. All employees shall refer to these guidelines to safeguard themselves from unintended act of bribery and/or corruption.

2. SCOPE

This “Code of Conduct” applies to all employees of VLK TRADERS (S) PTE LTD.

3. DEFINITIONS

Business Integrity

Business Integrity involves the application of the Company’s core values. The opposite of integrity is dishonest behaviour, including corruption that could undermine Control’s Risks’ reputation for fair dealing.

Bribery

Bribery, in broad terms, is the receiving or offering of undue reward or anything of value and includes payments to secure a business advantage, financial or otherwise, to which the Company is not entitled. Anything of value can be a bribe, including a gift in kind or some other favour such as an offer of employment to a relative of the person being bribed. It will involve the giver and the receiver in the improper performance of a personal, company or official responsibility.

Corruption

Corruption can include graft, bribery, facilitation payments or other forms of improper business practice. It has the same attributes as set out under *Bribery* above. It can be summarized as the misuse of entrusted power or office, whether in the public or private sector, for private gain.

Kickback

Kickback arise when suppliers or service providers pay part of their fees to the individuals who give them the contract or some other business advantage.

Facilitations Payment

Facilitations Payment are small bribes to official with a view to speeding up routine governmental transactions to which the payer is already entitled. Examples include payments to speed up customs clearances and extra fees to officials to secure electricity connections.

4. POLICY

4.1 Bribes and Kickbacks

The Company does not engage in acts of corruption, directly or indirectly, and prohibits its employees from paying or receiving bribes and/or kickbacks from officials and private individuals such as personnel of companies which the Company does business with.

An example of an indirect bribery involves a commercial agent who is employed by a company to win a government contract and is paid based on a percentage of the contract fee. Part of the commission is then passed on to a government official. The Company does not tolerate such practices in any form or wherever paid and will consider not to work with the same agent in the case of such event.

It is the responsibility of all employees who are involved, at any time, in engaging external consultants or suppliers etc. to ensure that the external parties are made aware of the Company's Anti-Bribery and Anti-Corruption Policy at the outset of the relationship and on a regular basis thereafter.

4.2 Facilitation Payment

The Company recognized that refusal to make facilitation payments may lead to commercial delays which may be a commercial cost to the Company subsequently. However, the Company and its employee will not make any facilitation payments even if such practice is a local custom.

If employees encounter a situation for a facilitation payment and/or think they are likely to concede to the demand, they should report to their department manager without delay. The department manager shall ensure that the Executive Director is informed at the earliest possible opportunity.

The Company understands that demands for facilitation payments are often backed by a form of extortion and in exceptional circumstances, resistance may not be feasible. In extreme cases, such as making payment to secure an emergency admission into hospital, Company trust that employees will use their best judgement. Employee must report to their department manager any incident whereby they feel that they are forced to make a facilitation payment at the earliest opportunity. The Company will stand by employees in exceptional circumstances granted that the employee has provided absolute transparency to the circumstances regarding the payment, in the shortest time after the incident has occurred.

4.3 Gifts, Hospitality and Expenses

Employees may not offer to or accept gifts, hospitality, rewards, benefits, cash donations or other incentives from third parties that could affect either party's impartiality or influence a business decision.

Employees may offer or accept "reasonable" and "proportionate" gifts and hospitality such as dinner, theatre parties and sport events. Employees should consider the value of the gift or benefit and its frequency which they are being offered. In all cases, to determine whether the gift or benefit is "reasonable" and "proportionate", refer to the following checklist:

1. Is the gift given as an expression of goodwill and not to secure a return favour?
2. Is the gift commensurate with acceptable standards for hospitality taking into account the norms for industry/professional sector in which it is offered?
3. Is the gift within the value limits set by the Company and accompanied with all required approval?
4. Is the process and record of gifting transparent?
5. Does the gift complies with the local laws and regulations?

6. Does the gift complies with the Company's and the other party's Anti-Bribery and Anti-Corruption Policy?

All the answer to the questions above must be "YES" in order to offer or accept the gift and hospitality. In case of uncertainty, employees must seek advice from their respective department manager.

Company's set value limit:

Employees must seek prior approval from the office for all gifts or benefits received or offered with a value of more than USD50 (or equivalent) before acceptance. Department Manager may give approval up to a maximum notional value of USD200 or equivalent. Directors can give approval up to a maximum notional value of USD500 or equivalent. Amount that exceeds USD500 (or equivalent) but less than USD1000 (or equivalent), requires approval from the Executive Director who will, at his discretion, consult the Ethics Committee (as appointed).

All approvals must be given in writing, and detailed official records of gift received, from whom and by whom etc. must be maintain. Record to be maintained by Ethics Committee.

If prior approval cannot be realistically obtained before the initial acceptance of a gift or hospitality, the employee must report and seek retrospective approval as soon as possible after initial acceptance.

Spouses or partners may be included in an invitation to an event where this does not create an impression of inducement. Same approval limits apply to joint invitations.

4.4 Public Official

Bribing a public official is a serious offence which carry severe penalties that can cause significant reputational damage to the Company and/or the individual. Approval must be secured in advance in relations to gifts or benefits received from or offered to public officials. Refer to previous point for more details on Gifts, Hospitality and Expenses.

4.5 Conflict of Interest

Personal interest can be direct or indirect, and refers not only to personal interest but to those of family members and friends. Conflict of interest can arise if an individual has a personal interest in business dealings involving the Company.

Employee must avoid situation and/or transaction which their personal interests is in conflict or might be seen to be in conflict with the interest of the Company. This includes acting on any client information gained through their employment with the Company for person gain; passing such confidential information to a third party without consent; or committing any act that could be construed as insider trading,

Employees must declare any personal conflict of interest or perceived conflict to their department manager.

4.6 Charitable Donations

As part of its corporate citizenship activities, the Company may support local charities or provide sponsorship to sport or cultural events etc. Any such sponsorship must be transparent and properly documented. The Company will only provide donations to organizations that serve a legitimate public purpose, and which themselves are subjected to high standards of transparency and accountability. Appropriate due diligence must be conducted on the proposed recipient charity and full understanding must be obtained to its *bona fides*.

4.7 Political Activities

The Company has a strict policy on political neutrality. The Company does not make donations to any political parties, organizations and/or individuals engaged in politics. Full cooperation will be given to government and other official bodies in the development of policy and legislation that may affect its legitimate business interests.

Employees are entitled to their own political views and activities but they are not allowed to use Company's premises or equipment to promote their views or associate their views with those of the Company.

4.8 Business Relationships

The Company expects its business partners to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this policy. This requirement applies to agents, subcontractors and joint venture partners. In cases where the Company is unable to ensure these standards, the business relationship will be reconsidered.

Agents, Representatives and Subcontractors

This policy applies firmly to commercial agents, representatives and subcontractors. The Company prohibits the act of agents passing part of their commission to external parties as bribes.

In order to maintain the highest standard of integrity, employees must ensure that:

- They are fully briefed on the background and reputation of integrity of the agents, representatives and subcontractor; and the Company has reviewed these integrity records before hiring and entering a business relationship with them.
- The engagement process is fully documented and the final approval of the selection of agents, representative and subcontractors is made by someone other than the person selecting or managing the Company's relationship with them.
- Selected agents, representatives, subcontractors are fully briefed on the Company's Anti-Bribery and Anti-Corruption Policy and have made a formal commitment in writing to abide by it.
- Fees and commission agreed will be appropriate and justifiable remuneration for legitimate services rendered.

Once the agreement has been signed, the Company will continue to monitor its relationship with the agents, representative and subcontractors to ensure that there are no infringements of its Anti-Bribery and Anti-Corruption Policy. Contractual agreement will include the clause whereby it is possible to withdraw from the relationship if agents, representative and subcontractors fail to abide by this policy. Investigations will be carry out by Ethics Committee together with independent external auditor for managing relationships with subcontractors.

Joint Venture Partners

The need for documentation and careful reviews of the Company's partners' integrity records applies equally to the process of setting up and managing joint ventures. The Company will ensure that the joint ventures meet high integrity standards. Where the Company has the majority control, it will ensure that the joint venture adopts the concepts and approach to anti-bribery and anti-corruption as set out in this policy.

Suppliers and Contractors

The Company will ensure that the procurement procedure for appointing suppliers and contractors is fair and transparent. The selection of contractors will be based on an evaluation of professional merits, and not on personal recommendation.

The Company will ensure that the suppliers and contractors understood and abide the Anti-Bribery and Anti-Corruption Policy when working with the Company. If the suppliers and/or contractors fail to comply, the Company reserve the rights to terminate the contract.

Inside Dealing

It is a criminal offence to be involved in inside dealing on the basis of Inside Information which includes but not limited to shares, options, debt, notes and investments. "Inside Information" is known as Information about the Company or the Company's business which is not generally available to the public and which could affect the market price of the Company. Employees who have access to Inside Information are refrained from engaging in any dealings within or outside the Company. All employees are required to comply with all applicable laws on insider dealing.

5. ACCOUNTS AND AUDITS

The Company's policies require employees to keep accurate accounts throughout Company's operation. The Company will not keep parallel accounts.

Regular auditing procedures of the Company will include a review of the local circumstances that may cause any office or project vulnerable to corruption and the strategies that are in place to mitigate such risks.

Demand for facilitation payment is a common practice which is considered a hazard in certain countries thus, this is a key point to take note. An assessment of the frequency and the approach taken to counter such demands will also be part of the audit review.

Proper records of gifts, hospitality and related expenses must be maintained together with the approvals given.

6. MONITORING

Audit of compliance with this policy will be conducted at regular intervals by Ethics Committee and Internal Auditor. Report of the audit will be shared during Company Management Review.

Anti-Bribery and Anti-Corruption Policy and Code of Conduct will be reviewed and improved at regular intervals and in the following circumstances:

- Company reorganization
- Expansion of the Company's operations resulting in new business processes
- New legal requirements and/or international/national anti-bribery standards; and
- Shifts in the business operating business
- Review to be carried out at least once every twelve (12) month.

7. NON-COMPLIANCE

Company

Failure to comply with this policy could lead to the following consequences:

- Criminal or civil liabilities for the Company, including fines and imprisonment
- Serious reputational damage
- Debarment from tendering for public sector contracts
- As a result of bribery, corruption or other illegality, contracts entered become unenforceable

Employee

Failure to comply with this policy could lead to the following consequences:

- Personal criminal liability, including fines and imprisonment
- Disciplinary action by the Company, including dismissal
- Personal reputational damage

8. AUTHORITY AND RESPONSIBILITIES

If in any doubts about the application of this policy or if an employee suspect a person in the Company involved in bribery, corruption, fraud or other unethical and/or illegal acts;

- The Executive Director shall refer to the Ethics Committee.
- Department Managers shall refer to the Executive Director.
- Employees shall refer to their respective Department Manager. If employees are unable to speak to their Department Manager for any reason, they shall refer to a representative of the Ethics Committee.

Ethics Committee Members as follows:

- Mr. Jun Kondo
- Capt Thomas Tan
- Ms. Alice Lee

9. TRAINING

All employees are required to undergo an induction program which encompasses the principles and approach to bribery and corruption adopted by the Company and they have to confirm that they have taken the program within six (6) months from the time of employment.

Regular training will be made available to all business units in relation to anti-bribery and anti-corruption measures. Details of the Company's whistleblowing procedures will be disseminated to all employees during the induction program. The company will make this policy available on the Company's facility for all employees.

10. RELEVANT LEGISLATION

The Prevention of Corruption Act (Singapore)

Under the Prevention of Corruption Act, any person who shall by himself or by or in conjunction with any other person —

- a) corruptly solicit or receive, or agree to receive for himself, or for any other person; or
- b) corruptly give, promise or offer to any person whether for the benefit if that person or of another person,

any gratification as an inducement to or reward for, or otherwise on account of —

- i) any person doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed; or
- ii) any member, officer or servant of a public body doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed, in which such public body os concerned.

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 5 years or to both.

If —

- a) any agent corruptly accepts or obtains, or agrees to accept or attempts to obtain, from any person, for himself or for any other person, any gratification as an inducement or reward for doing or forbearing to do, or for having done or forborne to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business;
- b) any person corruptly gives or agrees to give or offers any gratification to any agent as an inducement or reward for doing or forbearing to do, or for having done or forborne to do any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business; or
- c) any person knowingly gives to an agent, or if an agent knowingly uses with intent to deceive his principal, any receipt, account or other document in respect of which the principal is interested, and which contains any statement which is false or erroneous or defective in any material particular, and which to his knowledge is intended to mislead the principal,

he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 5 years or to both.

The provisions of this Act have effect, in relation to citizens of Singapore, outside as well as within Singapore; and where an offence under this act is committed by a citizen of Singapore in any place outside Singapore, he may be dealt with in respect of that offence as if it had been committed within Singapore. Any proceedings against any person under this paragraph which would be a bar to subsequent proceedings against that person for the same offence, if the offence had been committed in Singapore, shall be a bar to further proceedings against him, under any written law for the time being in force relating to the extradition of persons, in respect if the same offence outside Singapore.

The Bribery Act (United Kingdom, UK)

A Person ("P") is guilty of an offence if P offers, promises or gives a financial or other advantage to another person, and

- a) P intends the advantage to induce a person to perform improperly a relevant function or activity, or to reward a person for the improper performance of such a function or activity.
- b) P knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.

A Person ("R") is guilty of an offence if R requests, agrees to receive or accepts a financial or other advantage —

- a) intending that, in consequence, a relevant function or activity should be performed improperly (whether by R or another person)
- b) the request, agreement or acceptance itself constitutes the improper performance by R of a relevant function or activity.
- c) as a reward for the improper performance (whether by R or another person) of a relevant function or activity.
- d) In anticipation or in consequence, a relevant function or activity is performed improperly by R or by another person at R's request or with R's assent or acquiescence.

A function or activity is a relevant function or activity if it falls within (i) to (iv):

- (i) Any function of a public nature
- (ii) Any activity connected with a business ("Business" includes trade or profession)
- (iii) Any activity performed in the course of a person's employment
- (iv) Any activity performed by or on behalf of a body of persons (whether corporate or unincorporated)

AND meets one or more of conditions (A) to (C):

- (A) A person performing the function or activity is expected to perform it in good faith
- (B) A person performing the function or activity is expected to perform it impartially
- (C) A person performing the function or activity is in position of trust by virtue of performing it

Even if it —

- a) has no connection with the United Kingdom; and
- b) is performed in a country or territory outside the United Kingdom

The Bribery Act also states that a relevant commercial organisation is guilty of an offence if a person associated with the organisation bribes another person intending to obtain or retain business or an advantage in the conduct of business for the organisation. However, it is a defence for the organisation to prove that it had in place adequate procedures designed to prevent persons associated with the organisation from undertaking such conduct.

All offences under the Bribery Act are punishable by fines and up to ten (10) years imprisonment.

The Foreign Corrupt Practices Act, FCPA (United States, US)

The FCPA specifically prohibits the following conduct:

- a) knowingly offering, promising, or authorizing to pay money or “anything of value” (e.g. reimbursement of expenses, promise of employment or personal favours)
- b) directly or indirectly (e.g. through a representative) to any foreign officials, political party or official of a political party, or candidate for political office; and
- c) with the intention of corruptly influencing such official to obtain or retain business or to otherwise secure any improper business advantage

A “foreign official” includes official elected or appointed to a government position, government ministers, employees of government agencies or offices, and employees of state-owned entities, including commercial entities that are partly owned by the state.

The FCPA prohibits such payments, promises or offers, either directly or indirectly, through agents, partners, representatives, distributors or other authorized parties.

Single violation may cost a fine up to US\$2 million for the company and violations are often aggregated. Individuals may be imprisoned for up to five (5) years and subjected to fines up to US\$100,000 per violation.

Local Laws

In addition to complying with the Prevention of Corruption Act, Bribery Act and FCPA, the Company will abide by the local laws of the countries where it operates.

11. SYNOPSIS

The Company and all employees are:

- Prohibited from offering, promising and paying a bribe of any kind to any person, including official, external parties, business partners/relations etc.;
- Prohibited from soliciting, accepting or receiving a bribe of any from any person, including official, external parties, business partners/relations etc.;
- Prohibited from making facilitation payments;
- Required to comply with the Company’s policies, guidelines and authorisation levels on relation to giving and receipt of gifts and hospitality;
- Required to exercise due diligence with regards to all agents, representatives, suppliers, contractors, joint venture partners and others that hold a business relationship with the Company.