

**THE ANTI-CORRUPTION
STANDARD OPERATING PROCEDURES
(SOP) TEMPLATE**

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THE STANDARD OPERATING PROCEDURES

1. PURPOSE

- 1.1 The primary purpose of this Policy is to ensure compliance by all employees, officers and directors of ABC Private Limited and its subsidiaries and affiliates, and all persons that act as a representative, agent, or advisor to ABC Private Limited and/or its subsidiaries, with all laws and statutes of Singapore (in particular the Prevention of Corruption Act, Chapter 241, Singapore) and of any other countries in which the Company does or intends to do business in. This policy is not intended to disrupt or deter any legitimate business activities and intents but is really meant to be a guide and to assist all to understand the preferred and best practices when carrying out business activities for and on behalf of ABC Private Limited and its group of companies.

2. POLICY'S APPLICATION

- 2.1 This Policy applies to all employees, officers and directors and affiliates, and all persons that act as a representative, agent, or advisor to ABC Private Limited. This policy should be read in conjunction with ABC Private Limited's Code of Ethics, and Gift and Entertainment Policy (where applicable). In this Policy, all references to an "**employee**" of ABC Private Limited will include employees, officers, directors and affiliates, and all persons that act as a representative, agent, or advisor to ABC Private Limited. Any reference to the "**male**" gender will also include the female gender, and when the term "**us**" is used, it refers to ABC Private Limited.

3. ABC PRIVATE LIMITED'S GENERAL POLICY ON ZERO TOLERANCE FOR CORRUPTION

- 3.1 It is the policy of ABC Private Limited that, in doing business anywhere in the world, ABC Private Limited's employees, officers, directors and affiliates, and all persons that act as a representative, agent, or advisor to ABC Private Limited, must comply fully with the Prevention of Corruption Act ("PCA") Chapter 241 of Singapore, or related anti-corruption laws of foreign countries where they operate in. ABC Private Limited's employees, officers, directors and affiliates, and all persons that act as a representative, agent, or advisor to ABC Private Ltd are prohibited from directly or indirectly offering, giving, soliciting or receiving

any form of bribe, kickback or other corrupt payment, or anything of value, to or from any person or organization, including government agencies, individual government officials, private companies and employees of those private companies under any circumstances.

3.2 This prohibition applies:

3.1.2.1 World-wide, without exception.

3.1.2.2 Without regard to regional customs, local practices or competitive conditions.

3.1.2.3 To the indirect payment of any such bribe, kickback or other corrupt payment that may be carried out through third parties, such as representatives, consultants, brokers, contractors, suppliers, joint ventures or affiliates, or any other intermediary or agent acting on behalf of ABC Private Ltd.

3.3 No employee will be penalized for any delay or loss of business resulting from his or her refusal to pay a bribe.

4. APPLICABLE LAWS

4.1 The laws of most countries make the payment or offer of payment or even receipt of a bribe, kickback or other corrupt payment a crime, subjecting both the company and individual employees to fines and/or imprisonment. When doing business overseas, it is the duty of the respective management of ABC Private Ltd to ensure its employees are properly briefed and taught about the relevant corruption laws that may apply and also the various acts that are prohibited by these laws. The local law that guards against corrupt practices is the Prevention of Corruption Act (“PCA”), Chapter 241, of Singapore. The following main provisions of this Act spells out the meaning of corrupt acts which are punishable by law:

4.1.1 It is a crime for any person, by himself or together with any other person, to corruptly give, promise or offer to any person any gratification as an inducement to or reward for any person doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed. The Act specifically prohibits such payments, promises or offers to any member, officer or servant of a public

body.

4.1.2 It is also a crime for any person, by himself or in conjunction with any other person, to corruptly solicit or receive, or agree to receive for himself or for any other person, any gratification as an inducement to or reward for any person doing or forbearing to do anything in respect of any matter or transaction, actual or proposed.

4.1.3 These prohibitions explicitly apply to actions by agents.

4.1.4 The punishment for such offences includes a fine not exceeding \$100,000 or imprisonment for a term not exceeding 5 years or to both.

5. THIRD PARTIES

5.1 The ABC Private Limited's anti-corruption policy extends to the prohibition of corrupt offers, promises and payments made through partners, intermediary agents, joint ventures, or third parties. This is consistent with the application of the concept of vicarious liability in most of the anti-corruption laws worldwide.

5.2 Therefore, it is important to conduct proper due diligence checks on intended partners or agents and avoid partners or agents who have been known to indulge or show the propensity to indulge in such activities. The purpose of due diligence is to ensure, to the extent possible, that ABC Private Limited retains only reputable and honest agents, representatives and partners. In addition, contracts with agents or third-party representatives and joint venture partners should, to the extent possible, include provisions to mitigate against the risk of potential illicit payments.

5.3 Our zero-tolerance approach to bribery and corruption is communicated to all suppliers, contractors, agents and business and other partners at the outset of our relationship with them and as appropriate thereafter.

6. HOSPITALITY AND GIFTS

6.1 The Company recognizes that universally, the exchange of business courtesies such as modest gifts (but not cash), meals and entertainment (including invitations to attend events),

is a common practice for legitimate reasons, e.g. to create goodwill, establish trust in relationships (for example ‘guan xi’ in China), to improve the image of a commercial organization, or in some cases to better present the company’s products or services. Such courtesies are usually allowed, provided that the value of the gift, meal or entertainment is within the range of gifts allowed by ABC Private Limited in its Gift and Entertainment Policy, and that these are deemed reasonable in the light of accepted industry business practices and is not intended to improperly influence the decisions of the person involved.

6.2 This policy does not prohibit normal and appropriate hospitality to or from third parties and the giving or receipt of gifts, provided that this is done in accordance within the allowable ambits of the ABC Private Limited’s Gift and Entertainment Policy.

6.3 Normal and appropriate hospitality and gifts would include:

6.3.1 where the hospitality or gift is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;

6.3.2 where the hospitality or gift should comply with the prohibitions and requirements of local law;

6.3.3 where the hospitality or gift is given in company name, not in your name;

6.3.4 where the hospitality or gift does not include cash or a cash equivalent (such as gift certificates or vouchers);

6.3.5 when receiving any gifts, it must be declared to the management of ABC Private Limited, which would decide if the receiving employee would be allowed to keep the gift, or if it should be held by the Company; and

6.3.6 is given openly, not secretly;

7. FACILITATION PAYMENTS AND KICKBACKS

7.1 ABC Private Limited does not make, and will not accept, facilitation payments or

"kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official, or to secure meetings or favours with any prospective customers' representatives.

- 7.2 If one is asked to make a payment on ABC Private Limited's behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the General Manager.
- 7.3 Kickbacks are typically payments made in return for a business favour or advantage. All employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

8. DONATIONS/SOLICITATIONS

- 8.1 ABC Private Limited does not make charitable donations or contributions to political parties. This policy disallows payment even where an employee has been requested or demanded by a government official or of the Government official threatens adverse actions against the company unless the payment has been made. However, sponsoring for national event like National Day Parade (Singapore) sponsorship is acceptable.

9. BOOKS AND RECORDS

- 9.1 Payments and other compensation to third parties are to be promptly and accurately recorded in the Company's corporate books, records, and accounts in a timely manner and in reasonable detail. This includes any commissions, service or consulting fees, expenditures for gifts, meals, and entertainment, and expenses for promotional activities. Proper reporting should include clear notation regarding the nature of each expense, identification of all recipients and/or participants, the necessary approvals received for the expense and the accounts payable voucher.
- 9.2 No undisclosed or unrecorded accounts of the Company may be established for any purpose. False, misleading, incomplete, inaccurate, or artificial entries in the books, records, or

accounts of the Company are prohibited. Serious disciplinary actions not excluding dismissal will be taken against all parties involved in any breach of this rule.

9.3 Personal funds should not be used to accomplish what is otherwise prohibited by this Policy.

9.4 All such transactions are to be processed according to the Financial Control Manual of ABC Private Limited.

10. RISK SCENARIOS: “RED FLAGS”

10.1 The following is a list of possible red flags that may arise during the course of an employee’s work, and which may raise concerns under various anti-bribery and anti-corruption laws. This list is not meant to be exhaustive.

10.2 If you encounter any of these red flags while working, you must report them to the CEO:

10.2.1 you become aware that a third party engages in, or has been accused of engaging in, improper business practices;

10.2.2 you learn that a third-party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with prospective or current customers, or relevant foreign government officials;

10.2.3 a third-party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;

10.2.4 a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;

10.2.5 a third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;

10.2.6 a third-party requests an unexpected additional fee or commission to "facilitate" a service;

10.2.7 a third-party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;

10.2.8 a third-party requests that a payment is made to "overlook" potential legal violations;

- 10.2.9 you receive an invoice that appears to be nonstandard or customized;
- 10.2.10 a third-party refuses to put terms agreed in writing;
- 10.2.11 you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- 10.2.12 a third-party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- 10.2.13 you are offered an unusually generous gift or offered lavish hospitality by a third-party.

11. MONITORING AND REVIEW

- 11.1 The CEO or appointed officer of the Group (“appointed officer”), will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 11.2 All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing. All employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the CEO or appointed officer.
- 11.3 This policy does not form part of any employee's contract of employment and it may be amended at any time.

12. YOUR RESPONSIBILITIES

- 12.1 All employees must ensure that they read, understand and comply with this policy.
- 12.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all working in ABC Private Limited.

12.3 All employees must notify their immediate supervisor or Manager if they believe or suspect that a conflict with this policy has occurred or may occur in the future. For example, if a client or potential client offers one something to gain a business advantage with ABC Private Limited or indicates to one that a gift or payment is required to secure their business.

12.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

13. WHAT TO DO IF YOU ARE A VICTIM OF CORRUPTION

13.1 It is important that you inform CEO or appointed officer as soon as possible if you are offered a bribe by a third party, or are asked to make one, or suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity. All report of a suspicious conduct will be treated as confidential.

14. PROTECTION

14.1 Employees who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. ABC Private Limited aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

14.2 ABC Private Limited is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you or anyone had suffered or had been threatened with any such treatment, you should inform the CEO immediately. The report will be treated with utmost confidentiality and the offending party will be investigated and subjected to disciplinary actions, not excluding dismissal.

CEO

ABC Private Limited

Date: