



ANTI BRIBERY AND ANTI CORRUPTION POLICY

Appendix B

1. POLICY STATEMENT

1.1 This Policy is intended to assist everyone in conducting our business legally, ethically and with integrity. It is not meant to stop legitimate business activities so long as those activities comply with the law and with the Company's internal policies.

1.2 Company Employees must comply with applicable laws in the countries where the Company operates, including local anti-corruption and anti-bribery laws. The laws that may apply to the Company include the Prevention of Corruption Act, Chapter 241 of Singapore ("Prevention of Corruption Act"),

1.3 The Prevention of Corruption Act (Singapore)

a. The Prevention of Corruption Act (Singapore) makes it 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.

b. The Prevention of Corruption Act also makes it 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.

c. These prohibitions explicitly apply to actions by agents.

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

1.4 The purpose of this policy is to:

(a) set out our responsibilities in observing and upholding our position on bribery and corruption; and

(b) provide information and guidance on how to recognise and deal with bribery and corruption issues.

2. WHO IS COVERED BY THE POLICY?

2.1 This policy applies to all individuals working at all levels and grades whether permanent, fixed-term or temporary.

2.2 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work, and includes actual and potential clients, customers, suppliers, agents and government and public bodies.

3. WHAT IS BRIBERY?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. Examples:



a. Offering a bribe You offer a potential business partner air tickets to a major city, but only if they agree to do business with us. This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for LHT GROUP. It may also be an offence for the potential client to accept your offer.

b. Receiving a bribe A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our company to ensure we continue to do business with them. It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

c. Bribing a local/foreign official You arrange for our company to pay an additional payment to a local/foreign official to speed up an administrative process, such as clearing items through customs. The offence of bribing a local/foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

4. HOSPITALITY AND GIFTS

4.1 The Company recognizes that 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 various legitimate reasons, including to create goodwill, establish trust in relationships, improve the image of a commercial organization, or better present products or services. Such courtesies are allowed, provided that the value of the gift, meal or entertainment is reasonable in light of the accepted business practices of the industry, and is not intended to improperly influence the decisions of the person involved.

4.2 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties and the giving or receipt of gifts, provided that this is done in accordance with the approval of LHT GROUP Managing Director.

4.2 Normal and appropriate hospitality and gifts would include where the hospitality or gift:

(a) 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;

(b) should comply with the prohibitions and requirements of local law;

(c) is given in company name, not in your name;

(d) does not include cash or a cash equivalent (such as gift certificates or vouchers);

(e) is appropriate in the circumstances. For example, buying meals during meeting or small gifts to be given during festive seasons. When receiving any gifts, it must be declared to the Company where the Managing Director will decide whether the employee is allowed to keep the gift or will be held by the Company.

(f) taking into account the reason for the gift, is of an appropriate type and value and given at an appropriate time and should not be lavish;



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(g) is given openly, not secretly; and

(h) is not offered to, or accepted from, government officials or representatives, or politicians or political parties.

5. WHAT IS NOT ACCEPTABLE?

It is not acceptable for any employee to:

(a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;

(b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;

(c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;

(d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;

(e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or

(f) engage in any activity that might lead to a breach of this policy.

6. FACILITATION PAYMENTS AND KICKBACKS

6.1 We do 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.

6.2 If you are asked to make a payment on our 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 Corporate Secretary.

6.3 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.

7. DONATIONS/SOLICITATIONS

We do 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.

8. INTERNAL FINANCIAL CONTROLS AND RECORD KEEPING

8.1 The Company should record all financial transactions according to the Company's financial and internal control policies and procedures.



8.2 Payments and other compensation to third parties should be 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.

8.3 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.

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

8.5 All transactions are to be recommended by the Corporate Secretary which has to be approved by the Managing Director.

9. YOUR RESPONSIBILITIES

9.1 You must ensure that you read, understand and comply with this policy.

9.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

9.3 You must notify your manager and/or the Corporate Secretary as soon as possible if you 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 you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the Schedule.

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

10. HOW TO RAISE A CONCERN

All employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Corporate Secretary immediately.

11. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

It is important that you inform Corporate Secretary as soon as possible if you are offered a bribe by a third party, are asked to make one, 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

12. PROTECTION

12.1 Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will



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support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

12.2 We are 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 have suffered any such treatment, you should inform the Corporate Secretary immediately. If the matter is not resolved you should raise it formally to the Managing Director.

13. TRAINING AND COMMUNICATION

13.1 All employees operating in areas that are perceived as high risk as far as the Prevention of Corruption Act is concerned will receive regular, relevant training on how to implement and adhere to this policy.

13.2 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.

14. MONITORING AND REVIEW

14.1 The Corporate Secretary 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.

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14.2 All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

14.3 Workers 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 Corporate Secretary.

14.4 This policy does not form part of any employee's contract of employment and it may be amended at any time.

15. POTENTIAL RISK SCENARIOS: "RED FLAGS"

15.1 The following is a list of possible red flags that may arise during the course of your work which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

15.2 If you encounter any of these red flags while working, you must report them promptly to your Corporate Secretary:

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

(b) 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 foreign government officials;



- (c) 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;
- (d) 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;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) you receive an invoice from a third party that appears to be nonstandard or customised;
- (j) a third party refuses to put terms agreed in writing;
- (k) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (l) 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
- (m) you are offered an unusually generous gift or offered lavish hospitality by a third party.

Employee to sign:

I have read and understood this document:

Printed name: _____ Sign: _____

Date: _____