

CITY DEVELOPMENTS LIMITED

ANTI-CORRUPTION POLICY & GUIDELINES

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I. STATEMENT OF COMMITMENT AGAINST CORRUPTION, BRIBERY & EXTORTION

City Developments Limited (“CDL” or the “Company”) and its Board of Directors are fully committed to conducting business with integrity and consistent with the highest ethical standards, and in compliance with all applicable laws and regulatory requirements for the prevention of corruption, bribery and extortion.

Corrupt practices may subject the Group (as defined below) and individual employees to potential criminal and civil liabilities. Corrupt practices may also adversely affect the reputation of CDL as well as the confidence held by stakeholders, including our customers and business partners in our commitment to act professionally, fairly and with integrity in all our business dealings and relationships.

In line with this commitment to maintain high ethical standards which are integral to our corporate identity and our business, it is CDL’s policy to adopt a ‘zero-tolerance’ approach against all forms of corruption, bribery and extortion.

Scope of Policy: This policy applies to CDL and its subsidiaries (the “Group”), and all directors, officers and employees of the Group (collectively referred to as the “Employees” in this policy), as the Company firmly believes that the proper actions and conduct of all Group companies and Employees are essential to maintaining these standards.

Purpose of Policy: The purpose of this Anti-Corruption Policy & Guidelines (the “Anti-Corruption Policy & Guidelines”) is:

- (a) to set out the responsibilities of the Group companies and of each Employee in observing and upholding CDL’s ‘zero-tolerance’ position on corruption, bribery and extortion; and
- (b) to provide information and guidance to Employees on how to prevent, detect and respond to instances of corruption, bribery and/or extortion which may arise in the course of their work.

As the operations of the Group span multiple jurisdictions, to the extent that any of the Company’s listed or key operating subsidiaries have adopted their own anti-corruption policies and practices specific to the industry, environment and/or countries in which they operate, this Anti-Corruption Policy & Guidelines should be understood to provide general overarching guidance and is not intended to supersede any provisions of such subsidiaries’ policies and practices which are more restrictive than set out in this Anti-Corruption Policy & Guidelines, and the more restrictive or specific set of rules should be complied with by the relevant persons.

This Anti-Corruption Policy & Guidelines should be read in conjunction with CDL’s policy on gifts, entertainment and kickbacks (as set out in CDL’s Code of Business Conduct and Ethics), the CDL Whistleblowing Policy and the CDL Fraud Policy (as established and amended from time to time), all of which may be found on the Company’s intranet and on the Company’s corporate website.

This Anti-Corruption Policy & Guidelines does not and cannot reasonably cover every situation that you may face in the course of your employment with the Group. If you are in any doubt as to how you should apply any of the provisions of this Anti-Corruption Policy &

Guidelines, you are strongly encouraged to seek guidance from your immediate supervisors, the CDL Internal Audit Department, the CDL Legal Department or, where appropriate, the Company's senior management.

II. POLICY AGAINST CORRUPTION, BRIBERY AND EXTORTION

1. Strict prohibition against all forms of corruption, bribery and extortion

1.1 CDL strictly prohibits all forms of corruption, bribery and extortion.

1.2 You are prohibited from directly or indirectly, by yourself or in conjunction with any other person:

- (a) giving, offering, authorising or promising to give or offer to or promising to authorise the giving or offering to; or
- (b) soliciting or extorting (including blackmailing), accepting or receiving, or agreeing to accept or receive from,

any person, company or organization (including any government, regulatory authority or public body and their officials, officers or members) any bribe, 'kickback', gratification or other corrupt payment as an inducement to, payment or reward for, or otherwise on account of, any person doing something or refraining from doing something or to influence a decision or conduct in respect of any matter or transaction whatsoever, actual or proposed.

1.3 You are also prohibited from aiding or abetting or attempting or conspiring to commit any acts of corruption, bribery or extortion.

1.4 Corrupt payments and/or acts of extortion are typically made:

- (a) in order to gain or secure commercial, contractual or regulatory advantage for the Group in a manner which is dishonest, improper, unfair or unethical (for example to obtain or retain business); or
- (b) in order to provide personal advantage or favour, pecuniary or otherwise, for the Employee or persons connected with the Employee in a manner which may influence or compromise the Employee's ability to make objective and fair business decisions on behalf of the Group; or
- (c) in order to put a person or persons connected with the said person in fear of harm to body, mind, reputation or property, or under duress, in order to gain an improper advantage in any business dealing or transaction.

1.5 A bribe, 'kickback', gratification or other corrupt payment (collectively referred to as "**bribes**" in this Anti-Corruption Policy & Guidelines) may include but is not limited to the following forms:

- (a) money or any gift, loan, fee, reward, commission, valuable security or other property or interest in property of any description, whether movable or

immovable;

- (b) any contract, office or employment (for example, the provision of a job to a relative of the recipient of the bribe, or promising a job to the recipient of the bribe after his retirement);
- (c) any payment, release, waiver, discharge or liquidation of any loan, debt, obligation or other liability, whether in whole or in part (for example, the release of a personal debt);
- (d) any other service, favour or advantage of any description (which may include sexual favours), including protection from any penalty or disability incurred or from any action or proceedings of a disciplinary or penal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- (e) any offer, undertaking or promise of any bribe within the meaning of the above sub-paragraphs (a), (b), (c) and (d).

1.6 A 'kickback' is the unethical or illegal return of part of a payment already made or to be made in a legitimate business transaction. For example, an unethical supplier may offer to pay a purchasing manager a 'kickback' comprising an amount of money or other benefit in kind in exchange for the award of a supply contract by that manager to that supplier.

1.7 The giving or receiving of bribes in any quantum or form and for any corrupt purpose is an offence under the Prevention of Corruption Act 1960 of Singapore, whether or not the benefit or effect of the bribe is enjoyed by the person giving or receiving the bribe or by some other person. Where a person is charged under section 6 of the Prevention of Corruption Act 1960 of Singapore (i.e. corrupt transactions with agents), the bribery offence may be established notwithstanding that the person was not able to complete the corrupt act requested or to put the corrupt intention into action.¹

2. Through intermediaries and third parties

2.1 CDL also prohibits the giving, offering, promising to give or offer, soliciting, accepting or receiving of any bribes or the commission of any acts of extortion through any intermediary agents, joint venture parties or third parties acting on behalf of any Group company. For the purposes of this Anti-Corruption Policy & Guidelines, "**third parties**" shall include actual or potential customers or clients, suppliers, contractors, consultants, business contacts, advisers, agents, brokers, government and public bodies and any individual or organisation which you may come into contact with in the course of your work for the Group.

2.2 **Conduct of third parties with whom the Group has business dealings and relations:**

¹ See section 9 of the Prevention of Corruption Act 1960 of Singapore.

- (a) CDL's zero-tolerance policy on corruption, bribery and extortion also extends to all third parties with whom the Group has business dealings and relations, and the Group is committed to ensuring, to the greatest practicable extent, that such third parties in its dealings with, for and on behalf of the Group, comply with all applicable anti-bribery and anti-corruption laws; and
 - (b) Where practicable and/or appropriate, reasonable steps should be taken by Employees to perform careful due diligence on third parties prior to any dealings, engagement or appointment in accordance with the Company's due diligence procedures in line with the Company's policy to do business with reputable, honest and qualified third parties.
- 2.3 For the avoidance of doubt, in accordance with the CDL Third Party Due Diligence Policy (For Third Party Associates), an enhanced due diligence process should also be conducted by an external vendor, as may be appropriate. A copy of the CDL Third Party Due Diligence Policy (For Third Party Associates) may be found on the Company's intranet and on the Company's corporate website.

3. Gifts and hospitality

- 3.1 CDL also prohibits the giving and accepting of gifts and hospitality unless in compliance with this section and CDL's policy on gifts, entertainment and kickbacks (as set out in CDL's Code of Business Conduct and Ethics),
- 3.2 While offers of gifts and hospitality in a commercial setting may be commonly regarded as a means to create goodwill and cultivate or improve working relationships, Employees must recognise that there is a serious risk that such gifts and hospitality may fall within the realm of corruption, or be used to facilitate corruption, or may be perceived as or may give the appearance of corruption. As such, the Company takes a very strict view of gifts and hospitality which could fall afoul of the corruption prohibitions. In order to address these risks and issues, the Company requires all Employees to comply with this section and CDL's policy on gifts, entertainment and kickbacks (as set out in CDL's Code of Business Conduct and Ethics).
- 3.3 As a general rule, you are prohibited from offering, providing or receiving, directly or indirectly, any gifts and hospitality in connection with your job or work for the Company or any of the Group companies, save as is expressly permitted under and in strict compliance with this section and CDL's policy on gifts, entertainment and kickbacks (as set out in CDL's Code of Business Conduct and Ethics). In particular, no gift or hospitality may be offered, provided or received for the direct or indirect purpose of, or otherwise in connection with, the gaining of an unfair advantage with the Group's business partners, including its customers, contractors or suppliers, or which would fall afoul of any applicable anti-bribery or anti-corruption laws.
- 3.4 Should you have any doubts in relation to potentially receiving a gift from or offering a gift to another person in the course of your work for the Company or any of the Group companies, you are strongly encouraged to first consult your immediate supervisor or Head of Internal Audit (who is also CDL's Ethics Officer).

4. Facilitation payments

- 4.1 CDL also prohibits the making of any "facilitation payments", which are unofficial payments (sometimes known as 'grease' payments) made to public or government officials or authorities in order to secure or expedite the performance of 'routine' public or government services or procedures which the payor is interested in. For example, seeking to expedite a visa application by paying a 'small tip' to a government official. No Employee or any third parties should make any facilitation payments, whether directly or indirectly, for and/or on behalf of the Company and/or the Group.
- 4.2 As a general rule, if you are in doubt as to whether a payment is a facilitation payment, you should only make the payment if the public or government official can and will provide a formal receipt of the payment or written confirmation of the legality of the payment. In any event, the prior approval of senior management for the making of such a payment should first be obtained.

5. Donations

- 5.1 CDL does not make donations to political parties and political associations (as defined under the Foreign Interference (Countermeasures) Act 2021 of Singapore) nor to candidates and/or election agents in a parliamentary election or presidential election.
- 5.2 You should take all reasonable steps to avoid making (inadvertent or otherwise) charitable contributions or sponsorships on behalf of the Group to organisations or entities that might be vehicles or arrangements disguised for obtaining bribes or corrupt payments.
- 5.3 CDL will only make charitable donations that are legal and ethical under local laws and practices. All charitable donations must be made in accordance with the Company's policy on donations and require the approval of the Chairman or the Group Chief Executive Officer of CDL or such other senior management personnel designated and authorised by the Chairman or Group Chief Executive Officer to review, recommend and approve charitable donations.

6. Anti-corruption laws of Singapore and other jurisdictions

- 6.1 You are required to observe and comply with the anti-corruption laws of Singapore and the anti-corruption laws of countries in which the Group operates or does business. Some of these countries, such as the United Kingdom (i.e. the Bribery Act 2010) and the United States of America (i.e. the Foreign Corrupt Practices Act) have anti-corruption laws which may have far-reaching provisions that hold the Company and/or any of the Group companies liable for the acts of persons associated with the Group, e.g. Employees and agents of the Group. This is one of the key reasons why the Company has set in place a zero-tolerance policy on bribery and seeks to set strong anti-bribery practices and procedures in place within the Group.
- 6.2 This Anti-Corruption Policy & Guidelines shall apply even in circumstances and in countries where the giving and receiving of bribes or such corrupt payments may be common local practice or custom. In so far as the Company is concerned, it is not a

valid defence against a charge or allegation of corruption to show that the bribe in question is customary in any profession, trade, vocation or calling, industry, jurisdiction or country. Accordingly, the Company shall take the appropriate disciplinary action against the relevant Employee(s), as may be necessary.

- 6.3 For completeness, Employees should note that offences under the Prevention of Corruption Act 1960 of Singapore which is committed overseas may still be caught under Singapore's anti-corruption laws, i.e. where an offence is committed by a Singapore citizen in any place outside Singapore, he may be dealt with in respect of that offence as if it had been committed within Singapore.²

7. Your responsibilities as an Employee

- 7.1 You must ensure that you read, understand and comply with this Anti-Corruption Policy & Guidelines as well as any future updates and other materials issued from time to time as part of the Company's efforts to educate, address and prevent corruption.
- 7.2 The prevention, detection and reporting of bribery and other forms of corruption is the responsibility of all Employees. You are required to avoid any activity that might lead to, or suggest, a breach of this Anti-Corruption Policy & Guidelines.
- 7.3 Employees are required to read the CDL Whistleblowing Policy in conjunction with this Anti-Corruption Policy & Guidelines.
- 7.4 If you are aware of or have reasonable grounds to suspect any actual or potential corruption or breach of this Anti-Corruption Policy & Guidelines in the course of your employment, you are required to report this as soon as possible to your immediate supervisor(s) or otherwise lodge a report (which may be made anonymously) in accordance with the CDL Whistleblowing Policy. You are to provide such information and/or assistance as may be required for a thorough investigation to be conducted. You should not attempt to personally conduct investigations or interviews or interrogations related to any suspected act of corruption.
- 7.5 The CDL Internal Audit Department has the primary responsibility for the investigation of all suspected acts of corruption which falls under this Anti-Corruption Policy & Guidelines. The investigation shall be assisted, as appropriate, by the senior management personnel from the CDL Legal Department, the CDL Human Resources Department and/or the relevant department(s) which may be involved or affected or whose Employees may be involved or affected by the suspected act of corruption. If the outcome of the investigation indicates that acts of corruption have been committed, the Head of Internal Audit will issue the relevant reports to the Audit Committee and the senior management.
- 7.6 Any decision to refer the investigation findings to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Audit Committee in conjunction with the advice and recommendation of the Head of internal Audit, Head of Legal, external legal counsel (as appropriate), Head of Human Resources and senior management. This includes the reporting of instances of fraud

² See section 37 of the Prevention of Corruption Act 1960 of Singapore.

which are required to be reported to the external auditors of the Company in accordance with applicable statutory provisions, as well as the filing of a Suspicious Transaction Report in accordance with the applicable statutory provisions.

- 7.7 The Company will not tolerate any retaliation against any person by another Employee and/or the Company and/or any of the Group companies for: (a) refusing to take part in any act of bribery or corruption; (b) reporting in good faith his or her suspicion that an actual or potential bribery or corruption offence has taken place or may take place in the future; and/or (c) assisting and/or participating in any investigation that may take place. Retaliation includes but is not limited to the use or attempted use of authority, intimidation, undue pressure or any other inappropriate action against the said person, and which may take the form of e.g. unfair dismissal, or discrimination.
- 7.8 The consequences for an individual or company being involved in bribery, whether directly or indirectly, are potentially extremely serious. Under the laws of Singapore, persons convicted of acts of bribery and corruption may be liable on conviction to a fine of up to \$100,000 and/or to imprisonment for a term not exceeding 5 years. Increased penalties may be imposed where the offence committed involves transactions, whether contracts, proposals for contracts or tenders, involving the Government, any government departments or public bodies.
- 7.9 Apart from potential criminal and civil liabilities involving imprisonment and/or a hefty fine, Employees who are found to be in violation of CDL's (or any relevant Group Company's) policy against corruption shall be subject to appropriate disciplinary action, which may extend to termination of employment or appointment. Disciplinary action may also be taken against Employees who, inter alia, have knowledge of such violations but conceal such information from the Group, or who retaliate against others who report such violations.
- 7.10 In so far as the Company is concerned, it is NOT a valid excuse or defence that:
- (a) you did not intend to personally benefit from the corrupt act or practice, but did so for the benefit of some other person, including the Company and/or any of the Group companies; or
 - (b) you were acting on the instructions of your supervisor(s);
 - (c) you personally believe such acts or practices are necessary or justified in order for the Company to remain competitive or profitable in a particular jurisdiction or industry, or in order to retaliate against the corrupt practices of others (e.g. our competitors); or
 - (d) you personally believe that such acts or practices are common or normal business acts in a particular jurisdiction or industry.

III. GUIDELINES ON CONDUCT

Having regard to the prohibitions outlined in Section II of this Anti-Corruption Policy & Guidelines, all Employees are required to take note of and comply with the guidelines set out below:

1. How to prevent and detect corruption

A. Business units / functions

1.1 Where appropriate and relevant, each business unit and function in the Group should establish and implement anti-corruption procedures in line with and in addition to the provisions of this Anti-Corruption Policy & Guidelines, having regard to the following principles:

(a) **Risk Assessment:** Adequately skilled personnel should be appointed to oversee the establishment and ongoing review of appropriate risk assessment procedures to counter, detect and prevent corruption, covering:

(i) internal risks, for example, deficiencies in Employees' knowledge and understanding of the Group's business profile, the Company's 'zero-tolerance' position on bribery and corruption, the associated bribery risks, and the Company's corporate policies on business gifts and hospitality, whistleblowing etc.;

(ii) external risks, for example, country risk, transaction risk, sectoral risk, business opportunity risk and partnership risk; and

(iii) steps to mitigate such risks.

(b) **Due Diligence:** Where necessary, due diligence or appropriate verification checks should be conducted on the relevant third parties involved in any transactions with, for and on behalf of the Group, in accordance with the Company's due diligence procedures including but not limited to the following:

(i) to ensure that they do not have a reputation for or record of bribery or corruption;

(ii) to determine their anti-bribery policy, controls and procedures; and

(iii) to obtain from such third parties contractual anti-bribery representations and warranties or undertakings that they are in compliance with all applicable anti-bribery laws.

For the avoidance of doubt, in accordance with the CDL Third Party Due Diligence Policy (For Third Party Associates), an enhanced due diligence process should also be conducted by an external vendor, as may be appropriate.

(c) **Contractual Protection/Mitigation:** Where possible, contracts with third parties should include appropriate anti-corruption provisions to mitigate against the risk of potential illegal and corrupt payments, and provide the Group with the ability to terminate the relationship with the third parties if there is a violation of any anti-corruption laws or the Group's policy against bribery and corruption. Assistance may be sought from the CDL Legal

Department on the drafting of the appropriate provisions.

- (d) There should be effective communication of the top-level commitment against corruption to Employees and, where appropriate, to external business partners of the Group.
 - (e) Policies and procedures should be clear, practical and accessible, with a view to effective and practical implementation by Employees.
 - (f) There should be adequate ongoing monitoring and review of compliance with the policies and procedures, and over the reporting and incident management procedures.
- 1.2 Where such additional anti-corruption procedures are imposed by the relevant business unit / function, the relevant Employees are required to read, understand and comply with these procedures and measures set by their respective business units or functions in addition to the provisions of this Anti-Corruption Policy & Guidelines.

B. Employees

- 1.3 As mentioned in this Anti-Corruption Policy & Guidelines, corruption and corrupt activities may take many forms and Employees need to remain alert and discerning at all times. In conducting the business of the Group and in the course of your work, you must be aware of potential "red flag" situations where there is generally a higher risk of corruption or which may raise concerns under anti-bribery and anti-corruption laws.
- 1.4 **"Red Flags"**: Examples of such "red flag" situations may include (but are not limited to):
- (a) operations or transactions involving jurisdictions or countries with a history of or reputation for corruption; or involving parties with a reputation for engaging in acts of corruption or improper business practices;
 - (b) where a prospective business partner, agent, representative or joint venture partner has close family, personal or business ties with government officials or authorities or their employees and officers;
 - (c) where a third party requests for payment in cash or for no records to be made of payments and/or refuses to sign a formal contract or to provide an invoice or receipt for the payment made;
 - (d) where a third party requests for payment to be made to or channeled through a country or geographic location different from where the third party resides or conducts business, or other unusual payment arrangements;
 - (e) where a third party requests for payments of unexpected additional fees or commission or reimbursements of extraordinary or vague expenses,

whether or not to 'facilitate' a service, e.g. payments which involve unknown payees or for matters which do not match the descriptions in the invoices or receipts;

- (f) where a third party requests for payments to 'overlook' potential legal or regulatory violations;
- (g) where you receive invoices which appear to be non-standard, or the payment request exceeds what is stated in the invoice, or the invoice indicates payment for a fee or commission which appear disproportionate relative to the services stated to have been provided;
- (h) where a third party requests that you provide employment or some other advantage to the third party's friend or relative in exchange for some advantage the third party offers to provide;
- (i) where 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 the Group;
- (j) where a third party demands lavish entertainment, hospitality or gifts before commencing or continuing contractual negotiations or provision of services; and
- (k) where you are offered an unusually generous gift or offered lavish hospitality by a third party.

1.5 When dealing with external parties in the course of their work, Employees should follow the following general rules to help mitigate the risk of corruption (to the extent practicable or necessary):

- (a) Third parties which the Group deals with should be reputable, honest and duly qualified for their roles. Employees should:
 - (i) verify and assess the identity and integrity of such third parties;
 - (ii) communicate to such third parties the Group's anti-corruption position and policy and its compliance expectations;
 - (iii) continue to be aware of and monitor their business practices during the course of the Group's relationship with these third parties; and
 - (iv) avoid or take steps to terminate any business dealings with any person convicted of or strongly suspected of corruption or similar wrongdoing, unless those suspicions have been reported to, investigated and cleared by senior management.
- (b) All payments (or other transfer of funds) should be made directly to the parties named in the documented transaction and not to any intermediary or indirect parties. This is to help prevent any corrupt activity from being concealed through the use of intermediaries, and Employees are therefore

required to exercise due caution and to be alert to the possibility of corruption via intermediaries.

2. What to do when you encounter acts of corruption

- 1.6 Given the potentially severe consequences (legal or otherwise) of corruption, Employees must be cautious to:
- (a) avoid any involvement in any corrupt situation (suspected or otherwise); or
 - (b) if they have inadvertently or unintentionally become involved in a corrupt situation, extricate themselves from the situation as soon as they become aware of the corrupt element (by firmly refusing to pay or to accept the bribe or to participate in or condone the act of bribery) and immediately inform their immediate supervisors or senior management.
- 1.7 The following section contains some practical suggestions for Employees to consider when they find themselves in a situation where there may be actual corruption or reason to suspect corruption. The examples in this section are only for general guidance and should not be taken as prescriptive or exhaustive in any way; and Employees are expected to apply their minds actively and carefully to each situation they are faced with in order to make a proper assessment of the circumstances. If you are in any doubt as to how you should act in a particular situation, at any point in time, you are strongly encouraged to seek guidance from your immediate supervisors.

Some Practical Examples

2.2.1 Situation 1: An express request for a bribe is posed to you

Scenario: You are informed by a representative of External Business Partner B that, in order for the Company to “greatly improve its chances” in securing a contract with External Business Partner B, the Company will need to pay the representative 1% of the total contract value.

Analysis: This is an obvious bribery situation, where the representative has solicited for a “kickback”.

Suggested actions: You should consider taking the following steps:

- Politely but firmly refuse to pay the bribe.
- If the representative persists, you should inform the representative that you are prohibited from paying bribes and that such corrupt activity would have to be reported to your senior management. If necessary, highlight that senior management may in turn inform the relevant authorities.
- If External Business Partner B is a government or public authority or office, there may be an obligation to file a report in accordance with the relevant reporting procedures prescribed by law.

- Record a detailed contemporaneous account of this exchange, including the relevant dates and times, and parties involved. If possible, obtain independent witness evidence of the same.
- The incident should be promptly reported to your immediate supervisor(s) and/or senior management.

2.2.2 **Situation 2: A payment is demanded from you which you suspect may include a hidden bribe**

Scenario: You are informed by a representative of Government Authority B that, in order for the Company's permit application to be processed, a "facilitation" or "expediting" fee is required to be paid.

Analysis: If the payment is made while you know or suspect that it incorporates or constitutes a bribe, notwithstanding that part of this fee may be applied towards legitimate review and processing fees imposed by Government Authority B, this may still attract liability.

Suggested actions: You should consider taking the following steps:

- Politely clarify the basis of the facilitation / expediting fee. If you are aware that the published fee charges (for example, in the relevant legislation) are lower than or different from the amount of the requested facilitation / expediting fee, the basis of this differential should be clearly explained and documented. It may be helpful to explain that in line with the Company's policy, you must account for all expenses with official receipts.
- If documentary proof and receipt cannot be provided, you should refuse to pay.
- As the representative is from a government authority or office, there may be an obligation to file a report in accordance with the relevant reporting procedures prescribed by law.
- Record a detailed contemporaneous account of this exchange, including the relevant dates and times, and parties involved. If possible, obtain independent witness evidence of the same.
- The incident should be promptly reported to your immediate supervisor(s) and/or senior management.

2.2.3 **Situation 3: Employee A suspects that a payment may be expected in order for a function to be carried out**

Scenario: There has been an inordinate and inexplicable delay in obtaining a permit from Government Authority B and you believe this delay potentially suggests that in order for the Company's permit application to be processed, a bribe may be required to be paid.

Analysis: This is an obvious bribery situation, even though the counterparty has not actively solicited for a “kickback”.

Suggested actions: You should consider taking the following steps:

- Politely ask the official from Government Authority B for the reasons for the delay in review / approval of the permit application.
- If the official reveals that the reason involves a bribe, politely but firmly refuse to pay the bribe.
- If the official persists, you should inform the official that you are prohibited from paying bribes and that such corrupt activity would have to be reported to your senior management. If necessary, highlight that senior management may in turn inform the relevant authorities.
- There may be an obligation to file a report in accordance with the relevant reporting procedures prescribed by law.
- If the reasons given are not adequate or satisfactory, ask to see a senior officer of Government Authority B.
- Record a detailed contemporaneous account of this exchange, including the relevant dates and times, and parties involved. If possible, obtain independent witness evidence of the same by having another Employee with you when you interact with the official (and/or senior officer of Government Authority B).
- The incident should be promptly reported to your immediate supervisor(s) and/or senior management.

2.2.4 **Situation 4: Your supervisor requires you to participate in or facilitate bribery or fraud**

Scenario: In order to secure the approval for a permit, your supervisor has instructed you to pay the government officer a bribe and to submit fabricated certificates / documentation (to justify the bribe) as part of the permit application. You are informed that this is a common business practice in that jurisdiction.

Analysis: This is an obvious bribery and fraud situation. It is not a defence or excuse for you to say that you were merely acting on instructions, or that you would not receive any direct benefit from these corrupt acts, or even that it is common business practice in that jurisdiction.

Suggested actions: You should consider taking the following steps:

- Clearly refuse to participate in the bribery or fraud.
- Record a detailed contemporaneous account of this exchange, including

the relevant dates and times, and parties involved. If possible, obtain independent witness evidence of the same.

- The incident should be promptly reported to senior management.

2.2.5 Situation 5: You, as a supervisor, discover unusual finance records in the course of your audit / review and suspect that unauthorised payments may have been made to certain external parties

Scenario: In the course of your inspection and review of the company's finance records, you as a supervisor come across a series of unusual entries which suggest that unauthorised payments (denominated in Thai Baht) may have been made to certain external parties. You further observe that these payments were made on or around the times when the company was undertaking aggressive marketing activities in Thailand. On further enquiry, you are told by your superior, Head of Department B, that it is commonplace and market practice for "suay" or "tribute money" to be given to help move the transaction along with the local authorities, and that this should not be an issue if the quantum is relatively small.

Analysis: While it is quite rampant particularly in developing countries for "facilitation payments" to be paid, typically to public officials or authorities so as to obtain or expedite services to which the payer is entitled, such payments, regardless of quantum, may also be considered to be bribes and are expressly prohibited. It is not a defence or excuse that such payments are common practice or customary according to the local culture.

Suggested actions:

- You should immediately report this matter to your immediate supervisor(s) and/or senior management. If necessary, for example, if Head of Department B is not willing to report this matter or tries to prevent you from doing so, you should bypass Head of Department B and report this to the next in line or in accordance with the CDL Whistleblowing Policy.
- You may be required to give a detailed record / account of any relevant details and to provide assistance, if necessary, in the investigation. In this regard, you should keep a contemporaneous record of the same.
- Senior management will also consider taking disciplinary action against Head of Department B if it is found that the latter was trying to conceal corruption or to Prevent / obstruct a legitimate anti-corruption report or concern from being raised in accordance with this Anti-Corruption Policy & Guidelines.

2.2.6 Situation 6: You discover that competitors are attempting to win a tender through bribery

Scenario: You discover that certain competitors of the Group are attempting to win a valuable tender by offering bribes.

Analysis: It is not a defence or excuse that just because other competitors are

resorting to bribery, the Group should do the same in order to “level the playing field”.

Suggested actions: You should immediately report this matter to your immediate supervisor(s) and/or senior management. Senior management will consider the situation and may lodge a formal report against this to the relevant authorities. You may be required to give a detailed record / account of any details relating to your discovery, including the relevant dates and times, and parties involved. In this regard, you should keep a contemporaneous record of the same.

2.2.7 Situation 7: In a project tender to appoint a new hotel management software vendor for the company, a bidder has on the sideline agreed to fully sponsor a training trip for the I.T. department to its overseas facility in Hawaii.

Scenario: In a project tender organised by Information Technology (I.T.) Executive A to appoint a new hotel management software vendor for the company, Bidder B, which did not put in the most attractive bid, has on the sideline agreed to fully sponsor a training trip for the staff in the I.T. department to its overseas facility in Hawaii to learn how to operate the hotel management software, if it is appointed immediately.

Analysis: As this situation is somewhat more ambiguous, it would be better to first consult with senior management before making a decision. From the point of view of the quality of Bidder B's bid, if it is clear that Bidder B would not have been shortlisted by the company if not for the offer of a free training trip, then one major concern would be whether the value of the free training to the Company (and not the I.T. department specifically) is such that it would be in the interest of the Company to forego the higher quality bids in favour of Bidder B's. Another concern would be whether the training trip was indeed for the purpose of providing training in the hotel management software, and independent of the bidding process. For example, if only a portion of the trip was to be spent in formal training and the remainder on recreation, this may indicate a bribe rather than genuine training. Similarly, if the training trip was offered only to persons who had decision-making power in the tender, and not to staff who will be the actual end- users of the software, this may also point towards bribery.

Suggested actions: There is no clear, straightforward answer in this scenario as to whether there is the element of corruption, as it is possible that Bidder B had in good faith intended for the free training trip as a legitimate advantage of their collective proposal over their competitors (i.e. comprised of a bid and sponsored training), rather than a bribe, and as such care must be taken not to jump to either conclusion in this regard. However, the fact that the sponsored trip had been raised on the sideline, rather than clearly and upfront as part of its bid in the tender process, this suggests that one should be cautious of the sponsored training's true nature.

Senior management should be consulted, and a full analysis, encompassing the concerns listed above as well as any other relevant considerations senior management may have, should be conducted to better determine whether the

sponsored training trip was intended to be a bribe by Bidder B or would otherwise affect the proper conduct of the tender. Also, it may be better in the circumstances to allow all bidders in the tender to make further submissions on or incorporating training elements, and for the company to then reconsider the bids in the round. In any event, it is crucial that the steps taken, e.g. to consult senior management, should be well documented in writing contemporaneously.

2.2.8 Situation 8: You as manager are responsible for procuring regulatory approval for a critical business licence for the company to operate in a foreign country, and understand from the locals that regulatory review would usually be very protracted if the approving bureau is "not familiar with" the applicant

Scenario: You as manager have been charged with the important task of procuring regulatory approval for a critical business licence for the company to operate in a foreign country, and time is of the essence. You understand from the locals that the regulatory review would usually be very protracted if the approving bureau is "not familiar with" the applicant. You arrange for a golfing trip for the bureau chief together with their common golfing buddies in an attempt to get the bureau chief to give priority to the application. You pick up the tab for the entire trip out of your own pocket.

Analysis: You may be considered to have resorted to unauthorised hospitality to improperly procure approval for the licence, notwithstanding that (a) you had financed the golfing trip out of your own pocket, (b) there has not been any solicitation by the bureau or the bureau chief, and (c) there is also no guarantee or promise that the business licence would have been approved as a result of this. Further, the fact that this licence was critically important for business does not warrant resorting to arguably corrupt means to procure it. Establishing and maintaining amicable relations with the authorities may be legitimate and is not necessarily corrupt; however, if done with corrupt intent that such hospitality should gain an improper advantage from the authorities, then such conduct is arguably considered bribery.

Suggested actions:

- You should not resort to such unauthorised action in the first place, particularly as your motivations were arguably corrupt (i.e. with the intention of having the bureau chief approve of and give priority to your application). If the review process was taking too long, you should consult your supervisor(s) and/or senior management as soon as possible to see how they may, through the proper and lawful channels, raise their request for the application to be processed on an expedited basis to the local authorities.

2.2.9 Situation 9: You are a manager responsible for operations in a foreign country and need to procure a critical business licence. You are aware that regulatory review would usually take a minimum of six months for first-time applicants. The company's business agent, Agent B, who is himself a local, offers to settle the problem for you. The company receives approval

for the licence within the week.

Scenario: You are a manager who heads the Group's operations in a foreign country, you need to procure a critical business licence for operations in that country to commence, and time is of the essence. You are aware that the bureau would take a minimum of six months for first-time applicants. The company's local business agent, Agent B, hears of this issue and offers to settle the problem for you within the week. You have just heard off the grapevine that Agent B has a history of personal dealings with members of the local government, and you choose to neither expressly confirm nor reject this offer by Agent B. The company receives approval for the licence within the week.

Analysis: While you may not have expressly solicited the help of Agent B nor expressly confirmed acceptance of Agent B's offer to help, and was not informed of the precise means which Agent B would resort to, the circumstances of Agent B's history and unusual offer should have put you on notice that corruption may be involved. You should be aware that, even if the corrupt act of an agent was not specifically authorised by the company, the company may still be held liable in certain circumstances. Further, the fact that this licence was critically important for business does not warrant resorting to corrupt means to procure it.

Suggested actions:

- If you have reason to suspect that Agent B may resort to corruption, you should: (a) immediately remind Agent B of the company's strict zero-tolerance policy against corruption and that corrupt means should never be used in the furtherance of the company's business; and (b) immediately report this matter to your immediate supervisor(s) and/or senior management, particularly if you believe that Agent B will continue to act notwithstanding your clear refusal.
- Senior management will review the situation and take practical steps as necessary to disassociate the Group from Agent B, which depending on the circumstances, may involve, for example, sending a letter to Agent B to formally state the company's position on the matter and/or immediately terminate all relations with Agent B.
- Senior management may also consider lodging a formal report with the authorities against Agent B, as may be prescribed by law.
- To assist in any future investigations, you should keep a detailed contemporaneous record of any details of the conversation, including the relevant dates and times, and parties involved. Senior management may also require you to retain such records. Also, given Agent B's known history, reasonable steps should have been taken to conduct due diligence on Agent B prior to his appointment as business agent, and if any suspected history of wrongdoing is confirmed, such appointment should be terminated immediately.