



CBM ANTI-CORRUPTION POLICY & GUIDELINES

INTRODUCTION

1. CBM is 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.
2. It is to be interpreted in conjunction with the following:
 - 2.1 City Developments Limited Anti-Corruption Policy & Guidelines,
 - 2.2 CBM Fraud Policy & Guidelines, and
 - 2.3 CBM Whistle-Blowing Policy

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3. This policy aims to:
 - 3.1 Set out the responsibilities of each employee in observing and upholding CBM's 'zero-tolerance' position on corruption, bribery and extortion
 - 3.2 To provide information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work.

DETAILS OF POLICY

4. Application

It applies to all directors, officers and employees of CBM and its subsidiaries (the 'Group') as the Company firmly believes that the proper actions and conduct are essential to maintaining these standards.

POLICY AGAINST CORRUPTION, BRIBERY AND EXTORTION

1. Strict Prohibition Against All Forms of Corruption, Bribery And Extortion
 - 1.1 Employees are prohibited from directly or indirectly:
 - Giving, offering, authorizing or promising to give or offer to or promising to authorize the giving or offering to; or
 - Soliciting or extorting (including blackmailing), accepting or receiving, or agreeing to accept or received from;

Any person, company or organisation (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.
 - 1.2 Employees are also prohibited from aiding or abetting or attempting or conspiring to commit any acts of corruption, bribery or extortion.

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

- 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
- 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
- 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.

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

- Money or any gift, loan, fee, reward, commission, valuable security or other property or interest in property of any description, whether moveable or immovable;
- 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);
- 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);
- 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
- Any offer, undertaking or promise of any bribe within the meaning of the above subparagraphs (a), (b), (c) and (d).

A 'kickback' is the unethical or illegal return of part of 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.

1.5 The giving or receiving of bribes in any form and for any corrupt purpose is an offence under the Prevention of Corruption Act, Chapter 241 (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. 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.

2. Through Intermediaries and Third Parties

CBM 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, "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 employee may come into contact with in the course of work for the Group.

- 2.1 Conduct of third parties with whom the Group has business dealings and relations:
- CBM's zero-tolerance policy on corruption, bribery and extortion also extend 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 laws.
 - 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.

3. Gifts and Hospitality

- 3.1 CBM also prohibits the giving and accepting of gifts and hospitality unless it is approved by the Management.
- 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, employee must recognize 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 and, in order to address these risks and issues, requires all employee to comply with directions by the Management.
- 3.3 As a general rule, employee are prohibited from offering, providing or receiving, direct or indirectly, any gifts and hospitality in connection with their job or work for the Company or any of the Group companies. 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.

4. Facilitation Payments

- 4.1 CBM 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, typically of a small amount and so as to secure or expedite the performance of 'routine' public or government services or procedures to which the payer is entitled. No employee or any third parties should make any facilitation payments for and/or behalf of the Group.
- 4.2 If employee are in doubt as to whether a payment is a facilitation payment, employee should only make the payment if the public or government official can 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 such payment should be obtained.

5. Donations

- 5.1 CBM does not make donations to political parties and political associations (as defined under the Political Donations Act, Chapter 236, Singapore) nor to candidates and/or election agents in a parliamentary election or presidential election.
- 5.2 Employee should avoid making charitable contributions or sponsorships on behalf of the Group to organisations or entities that might be disguised vehicles or arrangements for obtaining bribers or corrupt payments.
- 5.3 CBM 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 CEO of CBM or such other senior management personnel designated by the Chairman or CEO to review, recommend and approve charitable donations.

6. Anti-bribery laws of other jurisdictions

- 6.1 Employees are required to observe and comply with the anti-corruption laws of Singapore and any country in which the Group operates or does business. Some of these countries, such as the Qatar (Qatar Penal Code) and Thailand (Organic Act on Counter Corruption) have anti-corruption laws which may have far-reaching provision 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 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. It is not a valid defence against a charge of corruption to show that the bribe in question is customary or in any profession, trade, vocation or calling, industry, jurisdiction or country.
- 6.3 Bribery 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 if it had been committed within Singapore.

7. Your Responsibilities as an Employee

- 7.1 Employee must ensure that they have read, understand and comply with this Anti-Corruption Policy as well as any future updates and other materials issued from time to time as part of the Company's effort 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. Employee are required to avoid any activity that might lead to, or suggest, a breach of this Anti-Corruption Policy.
- 7.3 Employees are required to read the CBM Whistle-blowing Policy in conjunction with this Anti-Corruption Policy. A copy of the Whistle-blowing Policy may be found on the Company's intranet.

- 7.4 If employee are aware of or have reasonable grounds to suspect any actual or potential corruption or breach of this Anti-Corruption Policy in the course of their employment, employee are required to report this as soon as possible to their supervisor(s) or otherwise lodge a report (which may be anonymous) in accordance with the CBM Whistle-Blowing Policy, and to provide such information and/or assistance as may be required for a thorough investigation to be conducted. Employees should not attempt to personally conduct investigations or interviews or interrogations related to any suspected act of corruption.
- 7.5 The CBM HR Division has the primary responsibility for the investigation of all suspected acts of corruption which falls under this Anti-Corruption Policy. The investigation shall be assisted, as appropriate, by the senior management and/or 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 investigation substantiates that acts of corruption have been committed, the Head, Corporate Services will issue the relevant reports to the senior management.
- 7.6 Any decision to refer the investigation findings to the appropriate enforcement and/or regulatory agencies for independent investigation will be made by the HR Division in conjunction with the advice and recommendation from the senior management.
- 7.7 The Company is committed to ensuring that no employee suffers any detrimental action as a result of refusing to take part in any act of bribery or corruption, or as a result of 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. Detrimental treatment would include unfair dismissal, discrimination, disciplinary action, threats or other unfavourable treatment connected with rising such concerns to the Company.
- 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 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 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 the Group's policy against corruption shall be subject to appropriate disciplinary action, which may extend to immediate termination of employment or appointment. Disciplinary action will also be taken against employees who have knowledge of such violations but conceal such information from the Group, or who take detrimental action against others who report such violations.
- 7.10 It is NOT a valid excuse or defence that:
- You did not intend to personally benefit from the corrupt act or practice, but so for the benefit of some other person, including the Company and/or any of the Group companies; or
 - You were acting on the instructions of your supervisor(s); or

- 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
- You personally believe that such acts or practices are common or normal business acts in a particular jurisdiction or industry.

GUIDELINES ON CONDUCT

1. How to Deal with Corruption

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, having regard to the following principles:

- 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 employee's 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, whistle-blowing 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.
- 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.
- 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 third parties if there is a violation of any anti-corruption laws of the Group's policy against bribery and corruption. Assistance may be sought from the CDL Legal Department on the drafting of the appropriate provisions.
- There should be effective communication of the top-level commitment against corruption to employees and, where appropriate, to external business partners of the Group.
- Policies and procedures should be clear, practical and accessible, with a view to effective and practical implementation by employees.
- 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, employees concerned 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.

Employees

- 1.3 As mentioned in this Anti-Corruption Policy, 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 work, employee 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 anti0corruption laws.
- 1.4 “Red Flags”: Examples of such “red flag” situations may include (but are not limited to):
- Operations or transactions involving jurisdictions or counties with a history of or reputation for corruption or involving parties with a reputation for engaging in acts of corruption or improper business practices;
 - 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;
 - 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;
 - Where a third party requests for payment to be made to or channelled through a country or geographic location different from where the third party resides or conducts business, or other unusual payment arrangements;
 - Where a third party requests for payments of unexpected additional fee or commission or reimbursements of extraordinary or vague expenses, whether or not to ‘facilitate’ a service, e.g. which involve unknown payees or which are not as described in invoices or receipts;
 - Where a third party requests for payments to ‘overlook’ potential legal or regulatory violations;
 - 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 large given the services stated to have been provided;
 - Where a third party requests that you provide employment or some other advantage to the third party’s friend or relative;’
 - 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;
 - Where a third party demands lavish entertainment, hospitality or gifts before commencing or continuing contractual negotiations or provision of services; and
 - 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 assesses 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 the 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

2.1 Given the potentially severe legal and other consequences of corruption, employees must be cautious to:

- (a) Avoid any involvement in any corrupt situation; 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.

2.2 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 faced with in order to make a proper assessment of the circumstances. If employees are in any doubt as to how to act in a particular situation, at any point in time, he is strongly encouraged to seek guidance from immediate supervisors.

Some Practical Examples

Situation 1: An excess 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: Employee 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 this report in accordance with the relevant reporting procedures.
- Record a detailed account of this exchange, including the relevant dates and times, and parties involved. If possible, obtain independent witness evidence of the same.
- This incident should be promptly reported to your immediate supervisor(s) and/or senior management.

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 a bribe, notwithstanding that part of this fee is 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 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 author or office, there may be an obligation to file this report in accordance with the relevant reporting procedures.
- Record a detailed account of this exchange, including the relevant dates and times, and the parties involved. If possible, obtain independent witness evidence of the same.
- The incident should promptly reported to your immediate supervisor(s) and/or senior management.

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

Scenario: There has been an inordinate delay in obtaining a permit from Government Authority B and you believe this delay 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".

Suggestion 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 refused 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 this report in accordance with the relevant reporting procedures.
- If the reasons given are not adequate or satisfactory, ask to see a senior officer of Government Authority B.
- Record a detailed 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.

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 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 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.

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 CBM Whistle-blowing Policy.
- You may be required to give a detailed record of any relevant details and to provide assistance, if necessary, in the investigation.
- 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 a legitimate anti-corruption report or concern from being raised in accordance with this Anti-Corruption Policy.

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

Scenario: You discover that certain competitors of the Group are tempting 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. You will be required to give a detailed record of any details, including the relevant dates and times, and parties involved.

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) 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. For example, if only a portion of the trip was to be spent in formal training and the remainder on recreation, this would 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 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 proposal over their competitors, rather than a bribe, and as such care must be taken not to jump to either conclusion in this regard. 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 free 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.

Situation 8: You as manager are responsible for procuring regulatory approval for a critical business licence of 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 where 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 have 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 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 considered bribery.

Suggested actions:

- You should not resort to such unauthorised action in the first place, particularly as your motivations were corrupt. If the review process was taking too long, you should consult your supervisor(s) and/or senior management to see how they may, through the proper channels, raise their request for expedition to the local authorities.

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 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 chooses to neither expressly confirm nor reject their offer. The company receives approval for the licence within the week.

Analysis: While you may not have solicited the help of Agent B nor 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.

Suggestion 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, particular 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 or even to immediately terminate all relations with Agent B.
 - Senior management may also consider lodging a formal report with the authorities against Agent B.
 - To assist in any future investigations, you should keep a detailed record of any details of the conversation, including the relevant dates and times, and parties involved, which may also be required to be retained by senior management. 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 this is confirmed, such appointment should be terminated immediately.

CONCLUSION

This policy is reviewed on **28 August 2020**.