



Sabah International Petroleum

(1103777-V)

**ANTI-BRIBERY AND CORRUPTION
MANUAL**

("ABC MANUAL")



TABLE OF CONTENTS

- 1.0 INTRODUCTION**
- 1.1 Overview**
- 1.2 Objectives**
- 2.0 TERMINOLOGY AND ABBREVIATION**
- 2.1 Terminology**
- 2.2 Abbreviations and Acronyms**
- 3.0 APPLICATION AND REFERENCE**
- 4.0 GENERAL PRINCIPLES AND COMMITMENTS**
- 5.0 POLICY OWNER**
- 6.0 ANTI-BRIBERY AND CORRUPTION POLICY**
- 6.1 Bribery and Corruption**
- 6.2 Gift Policy**
- 6.3 Dealing with Receiving or Accepting Gifts**
- 6.4 Providing or Receiving Entertainment**
- 6.5 Dealing with Public Official and Political Party**
- 6.6 Corporate Social Responsibility (CSR) and Charitable Donations**
- 6.7 Internship Programme and Education Sponsorships**
- 6.8 Political Contributions**
- 6.9 Facilitation Payment**
- 7.0 DEALING WITH THIRD PARTIES**
- 8.0 ANTI-MONEY LAUNDERING**
- 9.0 CONFLICTS OF INTEREST**
- 10.0 WHISTLEBLOWING POLICY**
- 11.0 ADHERENCE TO ABC MANUAL**



1.0 INTRODUCTION

1.1 Overview

This Anti-Bribery and Corruption Manual (hereinafter referred to as the "ABC Manual") is developed as part of SIP's Anti-Bribery Management System which has been designed to align with the requirements set out in the Malaysian Anti-Corruption Commission's guidelines issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) ("MACC Act 2009"), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Amendment Act 2018").

The provision of section 17A under the MACC Act 2009, establishes the principle of a commercial organisation's criminal liability (corporate liability) for the corrupt practices of its employees, directors and/or any person(s) associated with the commercial organisation in cases where such corrupt practices are carried out for the organisation's benefit or advantage.

SIP Group being a commercial organisation may therefore be liable under this provision whether or not its top level management and/or representatives had actual knowledge of the corrupt acts of its employees and/or associated persons.

1.2 Objectives

The ABC Manual elaborate on company's position and principles regarding all forms of bribery and corruption and providing guidance to employees of SIP Group concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

It is also intended to apply to every director (executive and non-executive) except as otherwise stated in this ABC Manual. Joint venture companies in which SIP is a non-controlling co-venturer and associated companies are encouraged to adopt similar principles and standards.

SIP also expects that contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of SIP will comply with the relevant parts of the ABC Manual when performing such works or services.



2.0 TERMINOLOGY AND ABBREVIATION

2.1 Terminology

TERM	DEFINITION
Bribery & Corruption	<p>means any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009.</p> <p>In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation.</p> <p>Bribery may be 'outbound', where someone acting on behalf of SIP attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be 'inbound', where an external party is attempting to influence someone within SIP Group such as a senior decision-maker or someone with access to confidential information.</p>
Commercial Organisation	<p>a. Company incorporated under CA 2016 and carry on business in Malaysia or elsewhere;</p> <p>b. Company wherever incorporated and carry on business or part of a business in Malaysia; or</p> <p>c. Partnership (limited as well as unlimited, including foreign partnerships).</p>
Employee(s)	means any employee of the company and shall include contract staff, consultants, temporary employees and interns.
Gratification as defined in Part I – Preliminary, Section 3, Interpretation of the MACC Act	<p>As defined in the MACC Act to mean the following:</p> <p>a. money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;</p> <p>b. any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</p>



	<ul style="list-style-type: none"> c. any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part; d. any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage; e. any forbearance to demand any money or money's worth or valuable thing; f. any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal 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 g. any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).
Persons Associated	<ul style="list-style-type: none"> a. Director, Partner, Employee; or b. Person who performs services for or on behalf of Commercial Organisation. c. Company incorporated under CA 2016 and carry on business in Malaysia or elsewhere; d. Company wherever incorporated and carry on business or part of a business in Malaysia; or e. Partnership (limited as well as unlimited, including foreign partnerships).

2.2 Abbreviations and Acronyms

ABBREVIATION	DEFINITION
MACC	Malaysian Anti-Corruption Commission
MACC Act	Malaysian Anti-Corruption Commission Act 2009 (Act 694)
SIP	Sabah International Petroleum Sdn Bhd
SIP Group	SIP and its subsidiary companies



3.0 APPLICATION AND REFERENCE

This ABC Manual is applicable to all the employees, directors and persons associated with companies within SIP Group and shall apply in conjunction with the applicable regulations and guidelines, ISO, related policies & procedures and code of ethics. If multiple documents relate to the same subject, then the more stringent provision shall applies.

Other references include:

- Limits of Authorisation Manual
- Code of Conduct and Ethics Policy
- Employment Terms and Conditions of Service ("TACOS")
- Whistleblowing Policy
- Guidelines on Adequate Procedures by MACC

The ABC Manual is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide employees, directors and persons associated with a basic introduction to how SIP combats bribery and corruption in furtherance of the commitment to lawful and ethical behavior at all times. Some of the guidelines are designed to prevent situations in which bribery and corrupt practices may take root.

The Board has approved this ABC Manual for implementation, any variations shall be sanctioned by the Board.

4.0 GENERAL PRINCIPLES AND COMMITMENT

- a) SIP Group has adopted a zero tolerance approach against all forms of **bribery** and **corruption** in the conduct of business;
- b) SIP Group is committed to conduct business dealings with integrity in the Company's daily operations;
- c) Employees are strictly forbidden to pay bribes or participate in acts of corruption despite such acts is for the benefits of the organisation and may result in business loss;
- d) The ABC Manual leverages on the general acceptable values and core principles in the conduct of business. Full compliance to both the spirit and this Manual is mandatory and should be maintained using a principle-based approach.



e) The Top Level Management of SIP Group is primarily responsible for spearheading “tone from the top” culture in the organisation and drive corporate values against corrupt practices by:

(i) practicing the highest level of integrity and ethics;

(ii) complies fully with the applicable laws and regulatory requirements on anti-corruption;

These laws include but are not limited to the Malaysian Penal Code (revised 1977) (and its amendments), the Malaysian Anti-Corruption Commission Act 2009 (and its amendments), the Companies Act 2016 (and its amendments), the US Foreign Corrupt Practices Act 1977 (amended 1998), the UK Bribery Act 2010 and all applicable laws and regulations in the countries where it does business

(iii) effectively managing the key corruption risks of the organisation;

(iv) assessing the effectiveness of its corruption risks management framework and internal control system; and

(v) performing due diligence check, review and monitoring, training and communication.

5.0 POLICY OWNER

5.1 The Board of SIP has overall responsibility for this ABC Manual and shall oversee its implementation. The designated Board Committee may regularly monitor and review its implementation as delegated by the Board of Directors. The Board may delegate the day to day responsibility for the administration and implementation of the ABC Manual to the Chief Executive Officer.

5.2 The use and effectiveness of this ABC Manual shall be regularly monitored and reviewed periodically by the Chief Internal Auditor to ensure it remains relevant with the Group’s changing business environment, administrative or operational needs as well as changes to legislations. Any amendment that may be required shall be recommended to the Board for consideration and approval.

5.3 The Group Secretarial Department is the custodian of this ABC Manual who will be responsible for the formalization of the Manual, obtaining approval from the Board for implementations, incorporating any amendments and updates into this Manual.



- 5.4 The ABC Manual including any revisions and amendments to this ABC Manual will be communicated by the Chief of People and Organisation to all employees of SIP Group for adherence.
- 5.5 The Internal Audit Department shall be responsible for auditing and reporting on the level of compliance with this ABC Manual on regular basis.
- 5.6 The People and Organisation Department shall be responsible for the enforcement of the ABC Manual and taking any action in line with the employment terms and conditions.

6.0 ANTI-BRIBERY AND CORRUPTION POLICY

6.1 Bribery and Corruption

- 6.1.1 Bribery and corruption means receiving or giving "Gratification" (refer to the Definition Section). It may come in the form of anything of value, such as money, goods, gifts, loan, fee, services, property, privilege, donation, security, reward, employment position, preferential treatment or any other similar advantage.
- 6.1.2 SIP Group's employees, directors and persons associated shall not, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of SIP or the persons involved in the transaction.
- 6.1.3 The ABC Manual applies equally to SIP Group's business dealings with commercial ('private sector') and Government ('public sector') entities, and includes their directors, personnel, agents and other appointed representatives. All possible appearance of bribery or corruption shall be avoided, in particular, when dealing with Government offices.
- 6.1.4 The ABC Manual applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.
- 6.1.5 No employee or external party will subject to penalty, unfair disadvantage or other adverse consequences in retaliation for refusing to give or receive bribes or participate in other illicit behaviour.



6.2 Gift Policy

6.2.1 SIP prohibits the corrupt use of gifts to unduly influence business or regulatory decisions, to gain advantage or to retain or win business and strictly disallowed from giving or accepting gifts from parties engaged in a tender or competitive bidding exercise (e.g. vendors, consultants, competitors). Employees are strictly prohibited from soliciting gifts from any third party. Gifts that can be seen as a bribe such as cash, loans, jewelries, electronic items, travel fares, marketable securities, kickbacks or others equivalent of any amount are absolutely prohibited.

Criteria for Giving and Accepting Gifts

6.2.2 SIP Group acknowledges that within the business environment occasional giving and receiving of gifts of a reasonable and modest may be a legitimate way to network and foster good business relationship with stakeholders or clients. The giving or receiving of gift must meet the following criteria -

- (i) The gift is of nominal and reasonable value, i.e. monetary value of not more than Ringgit Malaysia Two Hundred and Fifty only (RM250.00) or equivalent, not lavish or extravagant, and infrequent.
- (ii) It is given in the name of the company, not to an individual;
- (iii) It is given/received openly and transparently, with implicit or explicit approval of all parties involved, not secretly;
- (iv) It shall be given without any obligation, return of favour, or expectation from the recipient;
- (v) It is given clearly as an act of appreciation, with no ill intention to persuade or influence decisions;
- (vi) It must be not selectively given to key influential person, clearly with the intention of directly influencing him;
- (vii) It should only be offered to and received in connection with a customary business or cultural occasion;
- (viii) It must be in accordance with applicable laws, regulations and SIP policies and procedures, customer's internal gift policy, and generally accepted business practices and customs;
- (ix) Gift perceived to exceed the value set must be properly recorded and substantiated in accordance with Section 6.3 of this Policy.



Permitted Gifts

- 6.2.3 Subject to the above criteria, the giving or receiving of gifts are permitted in the following situations :
- (i) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit or courtesy call and thereafter the said gift is treated as company property);
 - (ii) Gifts from SIP Group to external institutions or individuals in relation to SIP Group's official functions, corporate events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
 - (iii) Gifts from SIP Group to employees and directors and/or their family members in relation to an internal or externally recognised corporate function, event and celebration (e.g. new born, wedding, hospitalisation, demise, in recognition of an employee's / director's services to the company);
 - (iv) Token gifts of nominal value normally bearing SIP or external company's logo (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company's brand building or promotional activities;
 - (v) Gifts to external parties who have no business dealings with SIP Group (e.g. monetary gifts or gifts in-kind to charitable organisations);
 - (vi) Gifts from external parties e.g. festival hampers that are to be distributed to the employees; and
 - (vii) Employees may accept for themselves common courtesies usually associated with customary business practices (e.g. fruit baskets, cookies, cakes, chocolate etc.).
- 6.2.4 The employees and directors shall handle gift activities in a manner consistent with the general principles set out below to safeguard SIP Group's reputation and to prevent any allegations of violation of anti-bribery and corruption laws or misconduct –



- Conscientiously maintain the highest degree of **integrity**
- Always exercise **proper care and judgment**
- **Avoid conflicts of interest**
- **Refrain** from taking advantage of your position or exercising your authority to further your own **personal interest** (including the benefit of his or her family/household and friends) at the expense of SIP, and
- **Comply** with applicable laws, regulations and SIP policies and procedures, customer's internal gift policy, and generally accepted business practices and customs.

Declining Gifts

- 6.2.5 It is the responsibility of employees and directors to inform external parties involved in any business dealings with SIP Group of SIP's Gift Policy and to request the external party's understanding for and adherence with this Policy.
- 6.2.6 If any Gifts received are not permitted by this Policy, you are required -
- a) to politely decline and return by making reference to this Policy;
 - b) if it would be offensive or embarrassing to the sender or SIP to return the Gift, to record the receipt of such Gift in the Gift Logbook and hand over the Gift to the People and Organisation Department ("**P&O**").
- P&O shall upon receiving such Gifts, to deal with it as appropriate e.g. arrange for the donation of such Gifts to a charitable organisation.
- 6.2.7 If in doubt, employees / directors are required to notify P&O who will then consult the designated officer in charge of organisation's risk management assessment and decide whether to approve the acceptance of the gift or require the gift to be returned.



6.3 Dealing with Receiving or Accepting Gifts

- 6.3.1 Gift given and received above the set nominal and reasonable value must be -
- (i) declared accordingly;
 - (ii) acknowledged and approved by the Head of Department/Approving Authority;
 - (iii) recorded in SIP's Gift Logbook, which shall include the following details -
 - a) details of the gift;
 - b) the actual or estimated value;
 - c) the purpose and occasion such gift is made; and
 - d) the counterparty providing or receiving the gift including the organisation or entity he/she belongs with and its role in the Company's business (e.g. supplier, customer, regulators, etc.)
- 6.3.2 The Gift Logbook shall be retained by P & O recording the gifts offered / received for a 5-year minimum period.

6.4 Providing or Receiving Entertainment

- 6.4.1 Employees and directors are strictly prohibited from providing or offering to provide entertainment (tour, recreational, leisure activities) with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles.
- 6.4.2 In no event, howsoever, any employee and director or any of the family members may accept entertainment in exchange for an exercise or non-exercise of their authorities in SIP Group or otherwise to the detriment of SIP Group.
- 6.4.3 Occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships. However, employees and directors are to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard SIP Group's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.



6.4.4 Providing modest entertainment is a legitimate way of building business relationships and a common practice within the business environment to foster good business relationship with external clients. As such, eligible employees and directors are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients. However, employees and directors are required to comply with the policies and procedures and contain expenses within the limits of entitlement and authorisation, when carrying out entertainment activities.

6.4.5 The employees and directors must ensure the entertainment offered is legitimate, modest and not lavish or excessive or extraordinary and shall not engaged in entertainment activities that would be illegal or in breach of local or foreign bribery laws.

6.4.6 The employees are required to obtain prior approval of the Head of Departments and to complete the applicable entertainment expenses reporting form i.e. 'Employee Expense Claim Form' or such other form as may be developed and formalised, specifically record the condition and reason for the entertainment.

6.5 Dealing with Public Official and Political Party

6.5.1 Caution must be exercised when dealing with public officials (i.e. government owned entities, official departments/agencies, candidates or members of any political party). Providing gift, entertainment or corporate hospitality to public officials or their family members might be deemed as bribery in most jurisdictions, certain countries or companies.

6.5.2 Employees and directors are to ensure that proper care and judgment is exercised to confirm that there is no conflict of interest in any dealing with public officials. Offering or providing entertainment, gift, corporate hospitality in exchange for some future benefit or result is prohibited.

6.5.3 Proper due diligence is to be carried out to confirm that the public officer is the appropriate person based on his/her official position. Any entertainment extended must commensurate with his/her official position and not based on his/her popularity, political standing or your familiarity with the public official.

6.5.4 Ensure that the entertainment provided to the public official is reasonable and modest in value, and commensurate with the officer's designation in the public official. This is to avoid any perception of bribery.



6.6 Corporate Social Responsibility (CSR) and Charitable Donations

6.6.1 As part of commitment to CSR and sustainability development, SIP Group will provide such contributions or charitable donations to social investment activities. In certain circumstances such contributions may be asked by local authorities or governments of operating country. Such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.

6.6.2 The proposed recipient must be a legitimate organisation / society and appropriate due diligence or background checks must be conducted, in particular, to ascertain no public officials are affiliated with the organisation.

6.6.3 Corporate Communication Department and Legal Department shall ensure the requested CSR activity is legitimate. The fund commitment to the programme must be carefully structured to ensure that the benefits reach the intended recipients.

6.6.4 All contributions and donations must comply with the following:

- a. ensure such contributions are allowed by applicable laws, in particular, the anti-bribery and corruption laws under the jurisdiction of the country in request;
- b. obtain all the necessary internal and external authorisations;
- c. be made to adequate organisation to guarantee proper administration of the funds;
- d. be accurately recorded in the company's accounting records;
- e. ensure the CSR request is evaluated to be in line with the list of activities that SIP Group support;
- f. not to be used as a means to cover up an undue payment or bribery; and
- g. there is no risk or perceived improper advantage for SIP Group.

6.7 Internship Programme and Education Sponsorships

6.7.1 SIP has an internship programme with the objective to provide real-world experience that enables fresh graduates or students to put everything they learned into action and to gain skills for future jobs.

6.7.2 SIP has a sponsorships programme with the objective to provide educational opportunities to deserving students to enable them to realize their potential and to contribute to the growth of SIP Group and the nation.



- 6.7.3 The awarding of internships and sponsorships should be based on strict guidelines and due diligence to ensure that only the most qualified and deserving candidates receive the award. This is crucial to ensure that no element of corruption and no perception of bribery is involved in the offering of internships and giving out of sponsorships.
- 6.7.4 The selection of internship candidates and sponsorship recipients should be based on approved criteria such as job relevancy, academic qualifications and results assessment. The eligibility criteria and/or other prerequisites, rules and guidelines shall be properly set by People and Organisation Department.
- 6.7.5 The process of selection should be transparent and the reasons for selection should be properly recorded. The amount allocated for the internships allowance and sponsorships loan shall be consistent, reasonable in value and must be approved by top management.
- 6.7.6 If the internships or sponsorships are to be awarded to persons associated with directors and employees, caution must be exercised to ensure that the awarding of internship and sponsorship would not be in conflict positions and must be in compliance with the approved policy and procedures.

6.8 Political Contributions

- 6.8.1 SIP Group shall not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.
- 6.8.2 Employees participate in the political election process by voting may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by SIP for a personal political contribution.
- 6.8.3 No employees or Directors is allowed to use their position with SIP Group to try to influence any other person (whether or not employed by SIP Group) to make political contributions or to support politicians or their parties in any country



6.9 Facilitation Payment and Kickbacks

- 6.9.1 Employees and Directors of SIP Group are strictly prohibited from offering, promising, requesting, making or receiving facilitation payment / kickbacks to / from a person to secure, expedite or inhibit the performance of a duty or function with the intention to influence the underlying business transactions for the benefit of the organisation or the employee himself in exchange for a business favour or advantage.
- 6.9.2 Facilitation payments need not involve cash or other financial asset, it can be any sort of advantage for those in duties. The facilitation payment is seen as a form of bribery and corruption
- 6.9.3 The only exception for the facilitation payment is where the employees or directors having to make facilitation payment in order to protect their life, limb or liberty under threatening circumstances or in dangerous situation. The facilitation payments made must be immediately reported to the Head of Department or CEO and the record detailing the amount and reason for the payment be properly kept.

7.0 DEALING WITH THIRD PARTIES

- 7.1 SIP Group's dealings with third parties, which include contractors, suppliers, agents, consultants, joint venture partners, introducers, government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the general acceptable values and principles in the conduct of the business. All forms of bribery and corruption in dealings with third parties are unacceptable and will not be tolerated.
- 7.2 Directors and employees shall share the Company's values and ethical standards with third parties acting for or on its behalf, and expect their commitments as their actions can implicate SIP Group legally and tarnish the company's reputation.
- 7.3 Directors and employees are obligated to conduct appropriate counterparty due diligence to understand the business and background of prospective business counterparties before entering into any arrangements with them to ensure that the counterparties that being engaged are subscribed to acceptable standard of integrity in the conduct of their business.
- 7.4 To ensure SIP Group is doing business with third parties that share the high standards of integrity, the following guide shall be adhered to:



- a. Not to enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved;
- b. All third parties are made aware of the company's ABC Manual and our expectations of them. They are required to acknowledge and comply with applicable part of the ABC Manual;
- c. Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance;
- d. Put in clauses relating to anti-bribery representations and warranties in commercial agreements;
- e. Avoid convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees;
- f. Request for full disclosure of third parties' identity, office or an established place of business and to provide adequate credentials for the nature of the engagement;
- g. All procurement activities are performed in line with the Procurement Policies and Procedures that are applicable in the operating jurisdiction;
- h. Preparing and maintaining appropriate written documentation of the due diligence and risk assessment conducted;
- i. Establish risk analysis and perform a risk assessment using a risk-based approach; and
- j. To check if the third party adopts an adequate anti-bribery and corruption programme equivalent to its own and be able to influence for their adoption.

8.0 ANTI-MONEY LAUNDERING

- 8.1 Money laundering is occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.
- 8.2 SIP Group strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.



- 8.3 Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislation are severe and can include extradition and incarceration in foreign jurisdictions.
- 8.4 To avoid violating anti-money laundering laws, directors and employees are expected to always conduct counterparty due diligence to understand the business and background of SIP Group's prospective business counterparties and to determine the origin and destination of money, property and services.
- 8.5 Counterparty means any party that SIP Group is currently in relationship with or intends to do business with in the future, either on a regular or once-off basis. Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, JV partners and any other business partners.
- 8.6 A number of initiatives can be taken to strengthen anti-money laundering governance, they include the following:
- a. Adequate training and compliance programs should be conducted to ensure understanding and strict compliance to any internal anti-money laundering policies;
 - b. Employees frequently involved in decision making process concerning counterparties particularly in matters on financial transactions should be properly acquainted with the applicable laws and regulations related to money laundering;
 - c. Employees should be attentive to and report suspicious behavior by customers, consultants and business partners using proper reporting channels, in-house experts on anti-money laundering should always be consulted;
 - d. Convolved payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees should be avoided; and
 - e. Periodic audits should be conducted and a process should be developed to follow all available accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.



9.0 CONFLICTS OF INTEREST

- 9.1 Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company. Directors and employees of SIP Group should avoid situations in which personal interest could conflict with their professional obligations or duties. They must not use their position, official working hours, Company's resources and assets, or information available to them for personal gain or to the Company's disadvantage.
- 9.2 In situations where a conflict does occur, directors and employees are required to declare the matter in accordance with the Companies Act, 2016 and the employment terms and conditions of service.

10.0 WHISTLEBLOWING POLICY

SIP Group encourages openness and transparency in its commitment to the highest standard of integrity and accountability.

Any person make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that it was mistaken. In addition, employees who whistleblow internally will also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

Any alleged or suspected improper conduct or any breach must be reported in accordance with procedures provided for in the Whistleblowing Policy as adopted by SIP Group or report to the competent authority as appropriate.

11.0 ADHERENCE TO ABC MANUAL

Adherence to this ABC Manual is critical to the smooth running of business activities of SIP Group and is for the common good of employees and directors.

Any conduct which is not in accordance with the principles set out in this ABC Manual will be dealt according to the terms of employment and any other applicable local laws.