



DOCUMENT TITLE: ANTI-BRIBERY AND CORRUPTION GUIDELINE

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1. INTRODUCTION

- 1.1 The reputation of an organization, and the confidence placed in it by customers, suppliers, business partners, shareholders and the public substantially depend on all employees behaving responsibly.
- 1.2 Our Code of Conduct prohibits an Employee from involving in any activity relating to bribery and corruption, and it is important that we conduct our business ethically, and in full compliance with all applicable laws and regulations. All Employees and contractors engaged under a contract for service or engaged by the Company for any business-related activity should maintain the values of integrity, honesty and professionalism at the highest level at all times during their employment or engagement, or when representing the Company in business dealings with third parties.
- 1.3 Engaging in bribery or corrupt practices can have severe consequences for the Employee and the Company. The individual may face dismissal, fines and imprisonment, whilst the Company may face damage to reputation, financial loss and disbarment from business and other negative consequences.

2. OBJECTIVE AND APPLICATION OF THIS GUIDELINE

- 2.1 The objective of this Guideline is to elaborate on the principles of bribery and corruption, and to further the Company's commitment to lawful and ethical behaviour at all times. To achieve this, this Guideline will set out the following:
- (a) A guidance concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.
 - (b) A variety of contexts in which bribery issues may arise.
- 2.2 This Guideline is applicable and binding for all Employees.
- 2.3 The responsibility of parties involved to ensure the implementation, compliance and effectiveness of this Guideline is set out in *Appendix A*.
- 2.4 This Guideline has listed the basic Do's and Don'ts to assist the Employees in applying the Guideline, as set out in *Appendix B*.

3. DEFINITIONS USED IN THIS GUIDELINE

ACB	: Brunei’s Anti-Corruption Bureau.
BEIIP	: Brunei Energy Industry Integrity Pact, a pact founded by major operating companies in the oil and gas industry (of which the Company is part of), whereby pact members pledge their commitment to conduct their operations and business activities in a manner that upholds the highest ethical standards and integrity principles.
Code of Conduct	: The Company’s Code of Conduct, as may be amended from time to time.
Co-Operation Agreement	: The Co-Operation Agreement entered into between the Company and Darussalam Enterprise on 9 February 2006, which establishes the framework within which the Company will cooperate and work together to bring about economic and social benefits to Brunei Darussalam and the Bruneian people.
Corporate Contracts	: A list of corporate contracts entered into by the Company, as set out in <i>Appendix C</i> of this Guideline and which may be amended from time to time.
CSR	: Corporate social responsibility.
Declaration of Gift, Benefit & Hospitality	: An electronic form authored by, and under the custodian of the Legal Section, to be completed by the Employee, disclosing amongst others the gift, benefit or hospitality offered and the reason for such an offer, which may undermine the duties of good faith, fidelity, diligence and integrity as expected by the Company in the performance of the duties and obligations of the Employee. Please refer to <i>Section 14</i> of this Guideline on the explanatory note on how to complete this document.
Employees	: All individuals working at all levels and grades in the Company, including Executive Management, Line Managers, Senior Staff and

	Staff.
Event Sponsorship and Donation Committee	: A committee established and constituted to carry out the Company's corporate social responsibility under the Co-operation Agreement signed between the Company and Darussalam Enterprise on 9 February 2006.
Executive Management	: The Company's current executive management members.
Guideline	: This Anti-Bribery & Corruption Guideline
Line Manager	: (a) Head of Department for senior staff level and below. (b) Functional General Manager for manager level. (c) Functional Executive Officer for General Manager level.
Public Official	: A "Public Official" includes individuals from the ministries, governmental authorities or state-owned enterprises.

4. BASIC PRINCIPLES

- 4.1 **Bribery:** A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. Bribery can take a variety of forms (eg. Offering or giving money or anything else of value). Even common business practices or social activities, such as the provision of gifts and hospitality, can constitute bribes in some circumstances.
- 4.2 **Corruption:** Corruption refers to dishonest or illegal behavior in general, especially by those in a position of power.
- 4.3 Employees must not bribe, and must not use intermediaries (e.g. agents, consultants, advisers, distributors or any other business partners) to commit acts of bribery. Bribery is not tolerated, regardless of the status of the recipient.

- 4.4 Employees should always ask themselves before offering, promising or providing anything of value to any person if what they are considering could be viewed as having an illegitimate purpose. If the answer is yes, they must not proceed.
- 4.5 For more examples of what constitute bribery and corruption, please refer to *Appendix D*.
- 4.6 It shall be noted that the Company's relationship and dealings with the counterparties of its Corporate Contracts are not bound by this Guideline, as the dealings are the main contracts of the Company which have already been approved by the shareholders of the Company.
- 4.7 Please remember that this Guideline is not intended to provide definitive answers to all questions regarding bribery and corruption.

5. "NO GIFT OR BENEFIT" POLICY

- 5.1 The Company has adopted a "No Gift or Benefit" policy whereby, subject to certain narrow exceptions, our Employees are prohibited from, directly or indirectly, receiving or providing gifts or benefits.
- 5.2 The Company requires the Employees to comply with this "No Gift or Benefit" policy to avoid conflict of interest (actual, perceived or potential) for either party in on-going or potential business dealings between the Company and external parties, because the gift or benefit can be seen as a bribe that may tarnish the Company's reputation or be in violation of anti-bribery and corruption laws.
- 5.3 The Company is aware that the exchange of gifts or benefits can be a very delicate matter where, in certain cultures or situations, gift-giving is a central part of business etiquette. Despite acknowledging the Company's "No Gift or Benefit" policy, some external parties may still insist to provide gifts or benefits to the Employees in certain situations which do not fall within the general exceptions.
- 5.4 **Receiving gifts or benefits:**
- (a) **General rule:** Although the general principle is to immediately refuse or return such gifts or benefits, accepting a gift or benefit on behalf of the Company is allowed only

in very limited circumstances. However, the Employee shall not accept gifts or benefits in the form of cash or cash equivalent (eg. Vouchers or gift certificates).

- (b) **Completing Gifts, Benefits and Hospitality Declaration:** If Employees receive any offer of gifts or benefits, they are expected to complete the Declaration of Gift, Benefit and Hospitality. Legal Section will assess the said declaration, and notify the Line Manager of the Employee's decision to accept the gift or benefit. If the Employee returns the gift or rejects the benefit, Legal Section is not required to notify the Line Manager.
- (c) **Returning gifts:** Even if it may appear disrespectful to refuse a gift or benefit from an external party, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders), then the Line Manager cannot approve the acceptance of the said gift or benefit. In this situation, the gift or benefit must be politely returned with a professional note of explanation about the Company's "No Gift or Benefit" policy. This note shall be copied to the Legal Section and the Line Manager.
- (d) **Approving acceptance of gift:** If the Line Manager approves the acceptance of the gift or benefit, he must also determine the treatment of the gift or benefit whether to:
 - (i) Donate the gift or benefit to charity;
 - (ii) Hold it for departmental display;
 - (iii) Share with other Employees in the department; or
 - (iv) Permit it to be retained by the Employees.
- (e) **Circumstances for consideration:** In determining the above, the Line Manager is expected to exercise proper care and judgment in each case, taking into account pertinent circumstances, including:
 - (i) the character of the gift or benefit;
 - (ii) its purpose;
 - (iii) position/seniority of the giver;
 - (iv) the business context; and
 - (v) reciprocity.
- (f) For a schematic workflow of the process, please refer to *Appendix E*.
- (g) For sample professional note of explanation about the Company's "No Gift or Benefit" policy to a third party and rejection of gift or benefit, please refer to *Appendix F*.
- (h) For guidance on completing the Declaration of Gift, Benefit & Hospitality, please refer to *Section 14*.

- 5.5 **Providing gifts:** Generally, Employees are not allowed to provide gifts or benefits to third parties without prior written approval from the Executive Management. It is important that the recipient's gift policy, local anti-bribery and corruption laws, and the cultural norms of the respective jurisdiction are thoroughly considered prior to approving the same.
- 5.6 **Exceptions to the "No Gift or Benefit" Policy:** Although generally the Company practises a "No Gift or Benefit" policy, there are certain exceptions whereby the receiving and provision of gifts are permitted in the following situations, and the Declaration of Gift, Benefit & Hospitality need not be completed:
- (a) Gifts or benefits to or from the shareholders.
 - (b) Exchange of gifts or benefits at the company-to-company level (e.g. Gifts or benefits exchanged as part of an official company visit or courtesy call, and thereafter the gift or benefit is treated as company property);
 - (c) Token gifts or benefits of nominal value bearing company logo that are given out equally to all members of public attending the events such as conferences, exhibitions, stakeholder dialogues, training, trade shows etc. and deemed as part of the company's brand building, promotional activities or stakeholder engagement; and
 - (d) Cards, thank you notes, or other written forms of thanks and recognition.
- 5.7 Even in the above exceptional circumstances, Employees are expected to exercise proper judgment in handling gift or benefit activities and behave in a manner consistent with the general principles set out below:
- (a) Conscientiously maintain the highest degree of integrity;
 - (b) Always exercise proper care and judgment;
 - (c) Avoid conflict of interest;
 - (d) Refrain from taking advance of position or exercising your authority to further your own personal interest at the expense of the Company; and
 - (e) Comply with applicable laws, regulations, policies and procedures.

6. ENTERTAINMENT

6.1 Providing entertainment:

- (a) The Company recognizes that providing modest entertainment is a legitimate way of building business relationships. As such, eligible Employees 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.
- (b) Employees should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore, they should always exercise proper care and judgment when providing entertainment to third parties especially when it involves Public Officials.
- (c) Employees are strictly prohibited from providing or offering to provide entertainment 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 of this Guideline.
- (d) Generally, Employees are not allowed to provide entertainment to third parties without prior written approval from the Executive Management. It is important that the recipient's entertainment policy, local anti-bribery and corruption laws, and the cultural norms of the respective jurisdiction are thoroughly considered prior to approving the same.
- (e) Any provision of entertainment to third parties that have been approved by the Executive Management shall be attended by at least two (2) Employees.

6.2 Receiving entertainment:

- (a) The Company recognizes that the 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.
- (b) However, it is important for Employees to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard the Company's reputation, but also to protect Employees from allegations of impropriety or undue influence.
- (c) **Completing Declaration of Gift, Benefit & Hospitality:** If Employees receive any offer of entertainment, Employees are expected to complete the Declaration of Gift,

Benefit & Hospitality. The Line Manager will then decide whether to approve the acceptance of the entertainment offer or require it to be declined.

- (d) Any receipt of entertainment given by third parties that have been approved by the Executive Management shall be attended by at least two (2) Employees.

6.3 Exceptions to providing and/or receiving entertainment: There are certain exceptions whereby providing and/or receiving entertainment are permitted in the following situations, and the Declaration of Gift, Benefit & Hospitality need not be completed:

- (a) Entertainment to or from the shareholders or our methanol offtaker(s); and
- (b) Entertainment that is part of an official public event.

6.4 Even in the above exceptional circumstances, Employees are expected to exercise proper judgment in providing and/or receiving entertainment offers, and behave in a manner consistent with the general principles set out below:

- (a) Conscientiously maintain the highest degree of integrity;
- (b) Always exercise proper care and judgment;
- (c) Avoid conflict of interest;
- (d) Refrain from taking advance of position or exercising your authority to further your own personal interest at the expense of the Company; and
- (e) Comply with applicable laws, regulations, policies and procedures.

7. CORPORATE HOSPITALITY

7.1 Corporate hospitality is generally defined as “corporate events or activities organized by an organization which involves the entertainment of employees and third parties for the benefit of that organization”. Third parties may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic, exists.

7.2 Corporate events and activities include but not limited to sporting events, gala dinners or concerts.

7.3 Corporate hospitality is recognized as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is legitimate and

illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.

7.4 Illegitimate corporate hospitality: Corporate hospitality would be illegitimate in the following situations:

- (a) If it provides an advantage to another person if offered.
- (b) If it is given with the intention of inducing the person to perform a relevant function improperly.
- (c) If there is knowledge that acceptance of the advantage would be improper performance.

7.5 Providing corporate hospitality:

- (a) While providing corporate hospitality reflects the Company's courtesy and goodwill, the Employee must exercise proper care to protect the Company's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures.
- (b) There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to the Company's corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve Public Officials.
- (c) The Company shall expressly notify the recipients in writing that all complimentary tickets and passes are non-transferable. In the event the recipients are unable to attend, he is expected to return the tickets or passes to the Company. The unauthorized transfer of tickets or passes to persons other than the named recipient may signify to others that the invitation was extended to the recipient in his personal capacity.
- (d) All expenses incurred to provide the corporate hospitality must be properly documented, receipted and recorded in the Company's records.

7.6 Receiving corporate hospitality:

- (a) As a general principle, the Company strictly prohibits Employees from soliciting corporate hospitality, and they are not allowed to accept hospitality that is excessive,

inappropriate, illegal or given in response to, an anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise.

- (b) However, the Company recognizes that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships.
- (c) Therefore, it is important for Employees to exercise proper care and judgment before accepting hospitality. This is not only to safeguard the Company's reputation, but also to protect the Employees from allegations of impropriety or undue influence.
- (d) **Completing Declaration of Gift, Benefit & Hospitality:** If Employees receive any offer of corporate hospitality, Employees are expected to complete the Declaration of Gift, Benefit & Hospitality. The Line Manager will then decide whether to approve the acceptance of the corporate hospitality offer or require it to be declined.

7.7 Exceptions to providing and/or receiving hospitality: There are certain exceptions whereby providing and/or receiving hospitality are permitted in the following situations, and the Declaration of Gift, Benefit & Hospitality need not be completed:

- (a) Hospitality to or from the shareholders or our methanol offtaker(s); and
- (b) Hospitality that is part of an official public event.

7.8 Even in the above exceptional circumstances, Employees are expected to exercise proper judgment in providing and/or receiving entertainment offers, and behave in a manner consistent with the general principles set out below:

- (a) Conscientiously maintain the highest degree of integrity;
- (b) Always exercise proper care and judgment;
- (c) Avoid conflict of interest;
- (d) Refrain from taking advantage of position or exercising your authority to further your own personal interest at the expense of the Company; and
- (e) Comply with applicable laws, regulations, policies and procedures

8. DEALING WITH PUBLIC OFFICIALS

- 8.1 Caution must be exercised when dealing with Public Officials as the laws of bribery and corruption are more stringent and provides for stricter punishments. Providing gift, entertainment or corporate hospitality to Public Officials or their family/household members is generally considered a “red flag” situation.
- 8.2 Employees are prohibited from paying for non-business travel and hospitality for any Public Official or his family/household members without permission from the Executive Management.
- 8.3 If approval is obtained for the Employee to provide gift, entertainment or corporate hospitality to Public Officials, the Employee must ensure that the gift, entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the Public Official and not his personal capacity.

9. CORPORATE SOCIAL RESPONSIBILITY, SPONSORSHIPS AND DONATIONS

- 9.1 The Company prides itself in being a responsible corporate citizen. The Company is committed to the well-being of the people and endeavours to giving back and contributing to the society.
- 9.2 However, it is important that all CSR, sponsorships and donations are made in accordance with the Company’s Event Sponsorship and Donation Committee and receive prior authorization by the Executive Management, and within the approved budget by the board of directors.
- 9.3 **CSR:** Given the nature of the Company’s nature of business and also the execution of the Co-Operation Agreement, it is understandable that as part of the Company’s commitment to CSR and sustainable development, the Company may provide such assistance in appropriate circumstances and in an appropriate manner. It is important that the following is adhered to:
- (a) Any CSR requests received must be carefully examined for legitimacy and not be made to improperly influence a business outcome.
 - (b) There is no indirect advertisement (with or without consideration, in cash or otherwise than cash) for any external parties purportedly assisting the Company to execute the CSR reach-out programme.

- (c) The proposed recipient must be a legitimate organization and appropriate due diligence must be conducted in particular to ascertain whether there is any Public Official affiliated with the organization.
- (d) Any red flags must be resolved before committing any funds to the programme. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients.

9.4 **Sponsorships and Donations:** It must be remembered that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions in our Code of Conduct or this guideline, including, the prohibition on bribery. It is important that the following is adhered to:

- (a) The Company needs to be certain that donations to charities or beneficiaries are not disguised as illegal payments to Public Officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other similar laws.
- (b) The Company's commitment to contribute to the community is coupled with its values of integrity and transparency, by:
 - (i) Ensuring such contributions are allowed by applicable laws.
 - (ii) Obtaining all necessary internal and external authorizations.
 - (iii) Making such contribution to well-established entities having an adequate organizational structure to guarantee proper administration of funds.
 - (iv) Accurately stating the contribution in the Company's accounting books and records.

9.5 Before making a commitment to a CSR activity, sponsorship or donation requested by external stakeholders, the Company must first conduct proper due diligence to ensure that the requests are legitimate and that any red flags raised are resolved prior to committing the funds, and in any event, shall not exceed the approved budget by the board of directors.

9.6 In evaluating the requests submitted by external stakeholders, the Company must ensure that the request does not fall under the list of activities which are deemed as immoral or going against the Company's vision and mission.

10. FACILITATION PAYMENT

10.1 Facilitation payment is generally defined as “payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Offering promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.”

10.2 The Company prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the Employee. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.

10.3 All Employees must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. Employees who are offered facilitation payments must report to their Line Manager.

11. MONEY LAUNDERING

11.1 Money laundering is generally defined as 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.”

11.2 The Company strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.

11.3 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 laws are severe and can include extradition and incarceration in foreign jurisdictions.

11.4 To avoid violating anti-money laundering laws, the Employees are expected to always conduct counterparty due diligence to understand the business and background of the Company’s prospective business counterparts.

11.5 It is important that red flags such as 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, are picked up as early as possible.

11.6 It is advisable to conduct periodic audits and develop a process to follow all available accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with any transactions and contracts.

12. DEALING WITH THIRD PARTIES

12.1 The Company'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 values and principles of our Code of Conduct, and the BEIIP. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

12.2 The Company expects that all third parties acting for or on its behalf to share the Company's values and ethical standards as their actions can implicate the Company legally and tarnish the Company's reputation.

12.3 **Counterparty due diligence:** Therefore, when the Company engages third parties, Supply Chain Department is encouraged to conduct counterparty due diligence to understand the business and background of the Company's prospective counterparties before entering into any arrangements with them to ensure that the Company is dealing with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.

12.4 **Red flags:** If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or "red flags" are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress. Examples of common "red flags" involving third parties include:

- (a) The transaction involves a country known for a high incidence of corrupt payments.
- (b) A reference check reveals a flawed background or a reputation for getting things done regardless of the circumstances or suggests that for a certain amount of money, he can fix the problem.

- (c) Objection to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements.
- (d) 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.
- (e) The third party requires that his identity not be disclosed as part of the business transaction.
- (f) Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.

12.5 **Procurement policies and procedures:** In line with the general principles of the Company's Code of Conduct, the Company is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities. Therefore, Supply Chain Department is expected to ensure that, to the best that it reasonably can, all procurement activities are in line with the established policies and procedures, which include:

- (a) Due diligence of contractors and suppliers are undertaken before they are registered with the Company. Screening should be conducted on the company, its directors, top management and shareholders.
- (b) Contractors and suppliers are made aware of and understand the Code of Conduct and that they will comply accordingly.
- (c) All commercial contracts and invitations to bid incorporate provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices.
- (d) All commercial contracts with major contractors and suppliers to incorporate a provision where the Company retains the right to audit third party compliance with the Code of Conduct, and this Guideline.
- (e) To obtain confirmation from the prospective contractors and suppliers whether or not they have in place any anti-bribery programmes and that they will not engage in any improper practices. This is in line with the BEIIP. However, the absence of an anti-bribery programme may not necessarily be the primary reason for rejecting any contractors or suppliers.
- (f) To monitor significant contractors and suppliers as part of their regular review of performance of the third party. The Company has the right to terminate their services if they bribe or act in a manner which inconsistent with the Code of Conduct and this Guideline.

- 12.6 The Company requires the Employees to use good judgment and common sense in assessing the integrity and ethical business practices of third parties, and have provided the above as a guideline.
- 12.7 Employees shall attend all meetings with third parties with another member of the Company.
- 12.8 If any red flags are raised, these issues must be resolved. If it is not possible, then the company must be barred from being on the list of registered contractors/suppliers and/or disqualified from participating in the Company's tender exercise.

13. RECRUITMENT OF EMPLOYEES

- 13.1 The Company provides equal opportunity for any qualified and competent individual to be employed by the Company from various multicultural and multiracial background, sourced locally and internationally.
- 13.2 The recruitment of Employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of the Employees.
- 13.3 In line with this, the Human Resource Department:
- (a) Shall ensure that if the candidate to be employed has a family/household relationship to a current Employee, it is properly recorded and is being made transparent (this question is available in the Declaration of Conflict of Interest); and
 - (b) Is encouraged to conduct proper, reasonable and practical background checks to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally.

14. COMPLETING DECLARATION OF GIFT, BENEFIT & HOSPITALITY

The Declaration of Gift, Benefit & Hospitality contains the following subject headers, and we have compiled some explanatory notes to assist you:

- 14.1 **Details of the gift, benefit or hospitality:** We will need a brief description of the type of gift, benefit or hospitality offered, when it was offered and the estimated value of the gift, benefit or hospitality. This will help any decision-making by your Line Manager on the character of the gift, benefit or hospitality.
- 14.2 **Details of the offeror of the gift, benefit or hospitality:** Please provide the name of the person offering the gift, benefit or hospitality. If you know of his designation, then please include it in. If not, the organization he is from will be sufficient. This will help any decision-making by your Line Manager on the position/seniority of the offeror.
- 14.3 **Relationship between the offeror and the Company:** Here, we would like to establish if the offeror is the Company's current vendor, potential vendor, simply the Company's guest or just your friend/family/relative. To assist Legal Section in its analysis, it is also important that you list down the name of the current contract the Company currently has with the vendor, or the potential contract the Company will enter into with the vendor.
- 14.4 **Reason for the offer of gift, benefit or hospitality:** As we mentioned in this Guideline, it can be an ordinary gesture to offer someone gifts, benefits or hospitality as a form of networking or simply a cultural norm. If you are clear of why you are offered with such gift, benefit or hospitality, please state it as such.
- 14.5 **Accepting the offer of gift, benefit or hospitality:** If you have decided to accept the offer, then you need to consider if your action will create an actual, potential or perceived conflict of interest for you, or if it will bring the Company into disrepute. Your understanding of this Guideline and the Conflict of Interest Guideline will be crucial. If you require clarification on these said guidelines, you should seek assistance from your Line Manager or Legal Section.

15. DISCIPLINARY PROCEDURES & CONSEQUENTIAL MANAGEMENT

15.1 The Company reserves the right to take the appropriate disciplinary action for breach of this Guideline where an Employee:

- (a) Bribed, or used any intermediaries to commit acts of bribery in return for goods or services for the benefit of the Company;
- (b) Accepted offers of gifts, benefits, hospitality, entertainment and/or facilitation payments from any person for his benefit, in return for an exchange of approved direct or indirect transaction between the Company and the offeror of gift, benefit, hospitality, entertainment and/or facilitation payments;
- (c) Took advantage of his position or exercising his authority to further his own personal interest at the expense of the Company;
- (d) Omit to conduct any due diligence prior to engaging with contractors and/or suppliers;
- (e) Provides information that is false, misleading or from which there is a material omission, or for any misleading or deceptive act in relation to the disclosure to the Executive Management regarding any contractors and/or suppliers, or any transactions that the Company purports to enter into; or
- (f) Did not reasonably resolve any red flags with potential contractors and/or suppliers that is within his knowledge, prior to engaging with the contractors and/or suppliers.

15.2 All the circumstances, including the Employee's full work history, will be taken into account when considering what disciplinary action should be taken. It may include termination, depending on the seriousness of the breach.

15.3 The Company reserves the right to instruct to:

- (a) withdraw the services of contractor's personnel with immediate effect, and demand for a replacement personnel of similar qualification, expertise and skills, with no bribery and corruption record, and no additional cost will be paid for this replacement; or
- (b) terminate the contract with contractor or supplier if is proven (either by the Company or by the courts of law) that the contract was executed under the influence of bribery or corruption.

15.4 **Involvement of ACB:** The Company reserves the right to refer any allegations of corruption to the ACB, without the need to first carrying out any disciplinary proceeding against the Employee:

- (a) Employees who are found guilty under the anti-bribery or corruption laws of Brunei Darussalam will be immediately terminated.
- (b) Salary and allowances shall not be payable to an Employee for any period spent by him in going to, attending before or returning from, a court or ACB interrogation sessions in relation to the allegations of corruption. The salary and allowances are recoverable only if he is found to be not guilty by the court of law.
- (c) The provision (b) above is not applicable to Employees who appear as witnesses on the Company's behalf, or as prosecution witnesses. Any absence by an Employee due to the reason of having to appear as a witness on the Company's behalf or as prosecution witnesses will be considered as an authorized absence under "Government Appointment", with proper documentation to be submitted to the Line Manager and Human Resource Department for verification purposes.

16. REPORTING ON NON-COMPLIANCE

16.1 The Company encourages openness and transparency in its commitment to the highest standard of integrity and accountability.

16.2 **Protection of confidentiality:** Any Employee who makes a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, or without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, the Employee will be accorded protection of confidentiality, to the extent reasonably practicable, even if after investigation, it is shown that the Employee was mistaken.

16.3 **Protection from retaliation:** In addition, the Employee who whistleblows internally will also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable. The Company expressly prohibits any form of retaliation against individuals who raise the concerns on good faith, belief, or without malicious intent, or who assists in a complaint investigation.

16.4 **Procedure to raise a non-compliance report:** Any alleged or suspected improper conduct must be disclosed using the procedures provided for in the Company's Reporting Non-compliances and Concerns Procedure. There are a few methods that you can use to raise a non-compliance report:

- (a) Contacting the Deputy Chief Executive Officer, Executive Officer I, Executive Officer M or Internal Legal Counsel via email or telephone.
- (b) Clicking on the "Reporting on Non-Compliance" button on the Company's intranet page or website.

Anonymous telephone calls will not be entertained, unless circumstances render it necessary to do so, and reasonable and verifiable evidence is provided.

16.5 **Further clarifications:** If you require clarification with regard to this Guideline, please consult your Line Manager or the Internal Legal Counsel.

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**APPENDIX A
RESPONSIBILITIES**

WHO	RESPONSIBILITIES
Employee	<ul style="list-style-type: none"> (a) Complete and submit the Declaration of Gift, Benefit & Hospitality. (b) Does not bribe, and must not use intermediaries to commit acts of bribery. (c) Does not provide or offer to provide entertainment with a view to improperly cause undue influence in exchange for benefit or result. (d) Does not pay for non-business travel and hospitality for Public Official or his family members without permission from the Executive Management. (e) Report to Line Manager if offered facilitation payments. (f) Attend third party meetings with another Employee. (g) Report on non-compliance.
Line Manager	<ul style="list-style-type: none"> (a) Provide guidance and coaching on the Guideline.
Human Resource Department	<ul style="list-style-type: none"> (a) Ensure due process and procedure are carried out based on the approved selection criteria when recruiting new employees. (b) Ensure that prospective employee records his relationship with any current Employee. (c) Conduct proper, reasonable and practical background checks to ensure the prospective employee has not been convicted in any bribery or corruption cases nationally or internationally.
Legal Section	<ul style="list-style-type: none"> (a) Issue notification on Declaration of Gift, Benefit & Hospitality. (b) Raise to Executive Management any red flags seen from the Declaration of Gift, Benefit & Hospitality. (c) Notify Line Manager of any Declaration of Gift, Benefit & Hospitality that states the Employee's intention to accept the gift or benefit.

	<p>(d) Attend to non-compliance report(s) raised by the Employees, and raise to the Executive Management.</p> <p>(e) Provide onboarding training to new employees on this Guideline.</p> <p>(f) Ensure that new employees completes the Declaration of Conflict of Interest.</p>
Corporate Service Department	<p>(a) Ensure that any CSR activity, sponsorship or donation is in line with the Company's rules and policy of the Event Sponsorship and Donations Committee.</p> <p>(b) Conduct proper due diligence to ensure any CSR activity, sponsorship or donation is legitimate, and any red flags raised are resolved prior to committing the funds.</p>
Supply Chain Department	<p>(a) Conduct counterparty due diligence before engaging third party for services.</p> <p>(b) Include in all commercial contracts and invitations to bid provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices.</p> <p>(c) Include in all commercial contracts with major contractors provisions allowing the Company to retain its right to audit third party compliance with the Code of Conduct and this Guideline.</p>
Executive Management	<p>(a) Review and deliberate on declarations that contain Conflict of Interest (actual, perceived or potential), and the recommended actions by the Line Manager.</p> <p>(b) Provide final decision (no objection, reject, conditional approval etc).</p>

**APPENDIX B
DO'S AND DON'TS**

"NO GIFT" POLICY	
DO'S	DON'TS
✓ Employees to inform third parties involved in business dealings with the Company that the Company practices a "No Gift Policy" and to request the aforementioned parties to respect and adhere with the Company policy.	There are certain types of gifts which are not permissible and the Employees should immediately refuse it if it involves the following:
✓ Employees are prohibited from accepting or providing gifts to third parties unless it falls under the general exceptions provided under this Guideline as stated in <i>Section 5.6</i> .	✗ Any gift of cash or cash equivalent. Cash equivalent can be in the form of vouchers, discounts, coupons, shares and commissions, etc.
✓ Line Management and Executive Management must exercise proper care and judgment when handling gift activities and apply the general principles in determining the appropriateness of the gift, in particular when dealing with Public Officials.	✗ Any gifts involving parties engaged in a tender or competitive bidding exercise.
	✗ Any gifts that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required ("quid pro quo").
✓ Employees are required to submit the Declaration of Gift, Benefit & Hospitality, and the respective Line Manager will then decide whether to approve the acceptance of the gift or required the gift to be returned.	✗ Any gift which is lavish or excessive.
	The Employee must immediately return or decline any gift that falls within the abovementioned categories.

ENTERTAINMENT ACTIVITY	
DO'S	DON'TS
<p>✓ Employees must ensure that the entertainment offered is legitimate, modest and not lavish, excessive or extraordinary.</p>	<p>There are certain types of entertainment activities which are not permissible and Employees should immediately refuse if it involves the following:</p>
<p>✓ Employees are prohibited from offering or providing entertainment with a view to improperly creating undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether directly or indirectly, may be construed as an act of bribery that is contrary to the general principles of the Code of Conduct and this Guideline.</p>	<p>✗ Any entertainment that comes with a direct / indirect suggestion, hint, understanding or implication that in return for the entertainment provided, some expected or desirable outcome is required (“quid pro quo”).</p>
	<p>✗ Any entertainment activities that would be illegal or in breach of local or foreign bribery laws.</p>
<p>✓ Employees must be aware and educate themselves on local anti-bribery and corruption laws when dealing with Public Officials as providing entertainment to Public Officials has the potential to be regarded as bribery.</p>	<p>✗ Any entertainment activities that would be perceived as extravagant, lavish or excessive or may adversely affect the reputation of the Company.</p>
	<p>✗ Any entertainment activity that is sexually oriented or may otherwise tarnish the reputation of the Company.</p>
<p>✓ Eligible Employees are required to maintain their entertainment expenses within the limits of their entitlement when carrying out entertainment activities.</p>	<p>The Employee must immediately decline any offers of entertainment that falls within the above categories.</p>
<p>✓ Any entertainment activities that would involve Public Officials shall require the prior approval of the Executive Management.</p>	

CORPORATE HOSPITALITY	
DO'S	DON'TS
✓ Employees must ensure that the corporate hospitality accepted from an external party is legitimate, modest and not lavish, excessive or extraordinary.	There are certain types of corporate hospitality activities which are not permissible and Employees should immediately refuse if it involves the following:
✓ Employees must exercise proper care and judgment before offering or providing corporate hospitality to third parties to ensure compliance with applicable laws and regulations, especially when it involves Public Officials.	✗ Any corporate hospitality that comes with a direct / indirect suggestion, hint, understanding or implication that in return for the corporate hospitality, some expected or desirable outcome is required (“quid pro quo”).
✓ Any corporate hospitality activities that would involve Public Officials shall require the prior approval of the Executive Management.	✗ Corporate hospitality offered by parties currently engaged in the Company’s tender or competitive bidding exercise.
✓ If any Employee has any doubts whether the corporate hospitality offered by an external party is appropriate or reasonable in nature, he should either decline the offer or consult the Line Management.	✗ Any corporate hospitality activities that would be illegal or in breach of local or foreign bribery laws.
✓ Employees must exercise proper care and judgment before offering or providing corporate hospitality to third parties to ensure compliance with applicable laws and regulations, in particular when it involves Public Officials.	✗ Any corporate hospitality activities that would be perceived as extravagant, lavish or excessive or may adversely affect the reputation of the Company.
	✗ Any corporate hospitality activities that are sexually oriented or may otherwise tarnish the reputation of the Company.
	The Employee must immediately decline any offers of corporate hospitality that falls within the above categories.

DEALING WITH PUBLIC OFFICIALS			
DO'S		DON'TS	
✓	Employees must ensure that to provide or to offer to provide entertainment to Public Officials is lawful under local laws, as it might be deemed as bribery in certain countries or companies.	X	Employees shall not circumvent or attempt to circumvent any laws or policies on gifts and entertainment, even if it means that the Company might lose out on business opportunities as a result.
✓	Employees to ensure that proper care and judgment is exercised to confirm that there is no conflict of interest. It is unethical to offer or provide entertainment in exchange for some future benefit or result.	X	Employees shall not be too complacent with certain Public Officials or local customs that they might think they are familiar with.
✓	Employees to ensure that due diligence is carried out to confirm that the Public Official is the appropriate person based on his official position and not based on his popularity, political standing or the Employees' familiarity with the Public Official.	X	Employees shall not approve requests by the Public Official to transfer the gift or entertainment to his family members or friends that are not authorized to accept the gift or entertainment. Doing so might be perceived as bribery even with the least strict of laws or policies.
✓	Employees to ensure that the entertainment provided to the Public Official is reasonable and modest in value, and commensurate with the official designation of the Public Official. This is to avoid any perception of bribery.	X	Employees shall not offer to provide gifts, entertainment or hospitality that are illegal or unduly dangerous, indecent, sexually oriented or disrespectful.
✓	Employees to ensure that any "red flag" is resolved before giving out gift or entertainment.	X	Employees shall not act on their own accord when providing entertainment to Public Officials, and should always consult their Line Management.

✓	Employees to ensure that all documentation (including invoices and receipts) are properly recorded and kept.	Employees shall not conceal, alter, destroy or otherwise modify any documentation that relates to entertainment or corporate hospitality accorded to Public Officials.
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CSR, SPONSORSHIPS AND DONATIONS			
DO'S		DON'TS	
✓	The Event Sponsorship and Donation Committee must ensure that the activity is in line with the Company's rules and policy of the Event Sponsorship and Donations Committee.	X	The Event Sponsorship and Donation Committee shall not commit any funds without first undergoing the proper processes and procedures to evaluate the legitimacy of the request.
✓	The Event Sponsorship and Donation Committee must ensure that the request has been carefully examined for legitimacy and that an appropriate level of due diligence has been conducted on the requesting party.	X	The Event Sponsorship and Donation Committee shall not circumvent or attempt to circumvent any guidelines, rules or procedures put in place by making charitable contributions as a subterfuge for illegal payments.
✓	The Event Sponsorship and Donation Committee must ensure that the proposed recipient is a legitimate organization and the funding of the CSR activity is in compliance with the applicable laws and not made to improperly influence a business outcome or perceived to provide an improper advantage to the Company.	X	The Event Sponsorship and Donation Committee shall not conceal, alter, destroy or otherwise modify any documentation or information, which in the normal course of business, may raise potential red flags that would require additional investigation, particularly if it involves Public Officials.
✓	If the request comes from a Public Official or his relatives, but not related to any official national events, the request must undergo a more stringent due diligence process to determine whether there are any red flags raised.		
✓	Any red flags must be resolved before committing any funds to the programme.		

RECRUITMENT			
DO'S		DON'TS	
✓	Human Resource Department shall ensure that the due process and procedure are carried out based on the approved selection criteria when recruiting new employees. This is to avoid any allegations of bribery and corruption.	X	Human Resource Department shall not recruit an employee without undergoing the proper process and procedures set by the Company to ensure there is no perception of bribery or corruption.
✓	Human Resource Department shall ensure that relevant approvals are obtained from the respective approving authority prior to issuance of an offer letter.	X	Human Resource Department shall not circumvent or attempt to circumvent any guidelines, rules or procedures when selecting new employees as it might put the Company in trouble in the event of any bribery allegation.
		X	Human Resource Department shall not arbitrarily award rights, entitlements and benefits. The value and types of rights, entitlements and benefits must be based on the guidelines prepared by the Company, and approvals are first obtained from the respective approving authority.

APPENDIX C

LIST OF CORPORATE CONTRACTS

Joint Venture Agreement

Land Lease Agreement

Common Terms Agreement and a suite of project financing documents, including all future loan arrangements with any financial institution

Methanol Marketing Agreement, including future methanol off-taking agreement(s)

Gas Sales Agreement, including future gas supply agreement(s) with any gas supplier

Licence Agreement

Catalyst Supply Agreement

Technical Service Agreement

Management Service Agreement

Secondment Agreement

Co-Operation Agreement

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APPENDIX D

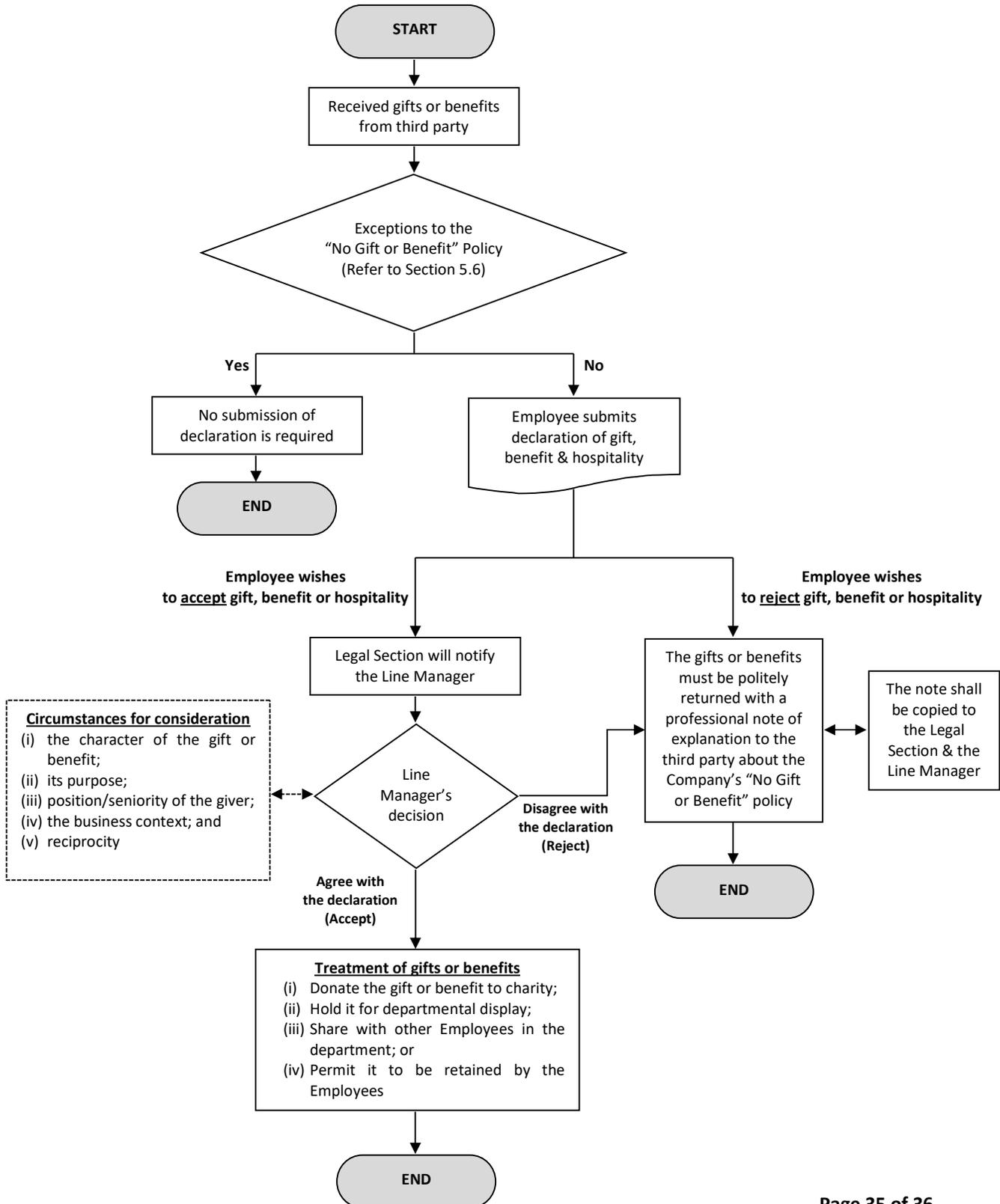
EXAMPLES OF BRIBERY AND CORRUPTION ACTS

- (a) A supplier gives your family member a job but makes it clear that in return they expect you to use your influence in the company to ensure that the company continues to do business with them.
- (b) A supplier offers you a commission to gain a commercial and contractual advantage with your company.
- (c) A third party offers a potential contractor ticket to a major sporting event, but only if they agree to do business with the company.
- (d) A third party offers sensitive information to potential tenderer in exchange for lavish gifts to gain preferential advantage.
- (e) An employee arranges for the company to pay an additional payment to a government official to speed up an administrative process e.g. such as clearing the company's goods through customs.

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APPENDIX E

SCHEMATIC WORKFLOW OF THE DECLARATION OF GIFT, BENEFIT & HOSPITALITY



APPENDIX F

SAMPLE NOTE OF EXPLANATION ON COMPANY'S "NO GIFT OR BENEFIT" POLICY TO A THIRD PARTY

Employees are reminded that below is merely a sample, which should be modified and revised accordingly, depending on the status of the offeror of the gift or benefit, and other circumstances of which the gift or benefit was offered.

All responses shall be sent individually by the recipient of the offer of gift or benefit and shall not be sent on behalf. All responses shall also be copied to Legal Section and the respective Line Manager.

Dear Charles,

Thank you for the box of cookies which I received from your company last week. It was indeed a nice gesture from your company in conjunction with the year end festivities.

However, BMC has adopted a "No Gift & Benefit" policy which prohibits employees from receiving gifts or benefits from external parties who have official business with BMC as this would be viewed as a position of conflict. As such, I would have to return the cookies to your company. Do let me know a time that is convenient for you to collect them.

Once again, your generosity is very much appreciated, and we look forward to our continued working association. Do send my regards to your colleagues and team members, and here is to wishing all of you a very happy holiday, and a Happy New Year.

Thank you.

Best regards,

Charlotte