



**YINSON HOLDINGS BERHAD**

**ANTI-BRIBERY AND  
ANTI-CORRUPTION POLICY**

*27 June 2018*

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### Summary of Changes

Version	Date of Changes	Descriptions of changes
Version 1.1	27 June 2018	Page 8, 9 and 10 – To reword the Policy titles of the completed Policies and Procedures which are to be tabled to the Board for approval.
		<p>Page 13 – To insert the word “per person” to clarify the threshold for gifts, hospitality and entertainment. In addition, any transactions exceeding the:</p> <ul style="list-style-type: none"> <li>• USD500 threshold shall be considered and approved by the RMC Department and two (2) members of the Management Committee on a case by case basis and on its merits; and</li> <li>• USD1,000 threshold shall be considered and approved by RMC Department and Group Chief Executive Officer on a case by case basis and on its merits. If the request for approval was raised by the Group Chief Executive Officer, the request is to be verified by the RMC Department and to be considered and approved by one (1) member of the Board Risk Management Committee.</li> </ul>
		<p>Page 14 – To insert the following statement relating to threshold above USD25 for gifts to government/ Public Officials:</p> <p>“However, if they are customary to the event, justification of the gifts should be accurately documented and approved by the RMC Department or one (1) member of the Management Committee.”</p>
		Page 14 and 18 – To remove the reference to <i>Policies on Hospitality, Gifts and Entertainment, and Charitable Donations</i> as additional policy amendment, where applicable are addressed in the ABAC Manual.

## **Definitions**

**“ABAC”** refers to Anti-Bribery and Anti-Corruption;

**“ABAC Policy”** refers to the Anti-Bribery and Anti-Corruption Policy;

**“Board”** refers to the Board of Directors (executives and non-executives);

**“Business Partners”** refers to joint venture partners or associate companies;

**“International Commercial Representatives”** refers to agents, sponsors, advisors and others including a person or entity that has been designated as International Commercial Representative by the Risk Management & Compliance Department or its designee;

**“Leaders”** refers to members of the Board, top management and those in supervisory roles;

**“Management Committee”** refers to Group Chief Executive Officer, Group Chief Strategy Officer, YINSON Production Chief Executive Officer, YINSON Production Chief Operating Officer, General Counsel and Marine Segment Chief Executive Officer;

**“Personnel”** refers to all employees of YINSON (permanent, temporary and interns) and members of the Board;

**“Public Official”** refers to persons who hold a legislative, administrative or judicial office (either appointed or elected), any person exercising a public function, including for a public agency or a public enterprise (e.g. a state-owned enterprise), any official or agent of a public international organisation;

**“RMC”** refers to YINSON Group Risk Management and Compliance;

**“Third Parties”** refers to any person or entity that is independent from YINSON, which includes International Commercial Representatives, suppliers, contractors, vendors or sub-contractors and other parties engaged by or on behalf of YINSON; and

**“YINSON”** refers to Yinson Holdings Berhad and its subsidiaries.

## **1.0 Our Values and Beliefs**

Our values form the foundation of our guiding philosophy – to ultimately deliver outstanding value to the shareholders, clients and communities we serve, by doing the right thing.

They help us decide what to do, which opportunities to explore, and how to engage with our stakeholders, guiding us as we lead the way in offshore production.

### ***Integrity: Doing the Right Thing***

We can be counted on to do what is right for our clients and our stakeholders. Our humble beginnings have taught us that success comes from being trustworthy and honest. We have never strayed far from our roots – and continue to be unflinching in our commitment to integrity. Even in circumstances where the enforcement of law is weak, we choose the course of highest integrity.

### ***Honesty: Being Honest and Fair***

We strive to be honest and fair in all that we do. We will not take unfair advantage of anyone. We do not tolerate employees acting dishonestly to achieve results at the expense of violating the law.

### ***Transparency: Truthful and Clear***

We practise an open culture, where all employees are forthcoming and expected to record all transactions accurately. Employees should not shy back when they have the reason to believe that a suspicious transaction or incident of fraud has taken place. We encourage employees to raise their concern(s) and cooperate in investigations.

## **2.0 Introduction**

As one of the world's leading Floating, Production, Storage and Offloading (FPSO) service providers, our values are our foundation. We are strongly committed in conducting business ethically and responsibly.

This ABAC Policy sets out our expectations and is a guide for **doing the right thing**. As an employee of YINSON, you are responsible to familiarise yourself and comply with this policy. Compliance to this ABAC Policy is also extended to Business Partners and Third Parties who are engaged by YINSON. This ABAC Policy is a **must-read and must-comply** for all of us.

### **2.1 Zero Tolerance against Bribery and Corruption**

This ABAC Policy features continuous actions to prevent, detect and correct acts of bribery and corruption. We take a **zero tolerance** approach towards fraud, in particular bribery and corruption whether passive or active. We must know who we are doing business with.

The following are our commitments pursuant to this ABAC Policy:

- i. YINSON will not condone nor engage in any corrupt business practices;
- ii. YINSON is committed to implement adequate measures to prevent bribery and corruption within our organisation, including our Personnel and Business Partners; and
- iii. YINSON will, and is committed to, comply with, all applicable laws and regulations including our internal policies pertaining to ABAC.

With these commitments, this ABAC Policy serves as a guideline on how we can do our part to eliminate any act of bribery and corruption within our organisation while requiring our Business Partners and Third Parties to commit to do the same.

## 2.2 Who must follow our ABAC Policy?

All Personnel are required to adopt and comply with the ABAC Policy during the course of their work.

We also require our Business Partners and Third Parties to adopt and comply with the relevant provisions of the ABAC Policy.

### 2.2.1 Leaders' Responsibilities

- Uphold the **highest ethical standards of business conduct**.
- Encourage **ethical decision-making** and **rewarding integrity**.
- Be a **role model** and lead by example.
- Ensure that employees are given the **opportunity and guidance** to understand the ABAC Policy and other applicable policies.
- Create a **positive and transparent environment** where employees are comfortable raising questions and concerns.
- **Ensure** those who raise genuine concerns do not suffer retaliation.

### 2.2.2 Employees' Responsibilities

- **Familiarise and comply** with our ABAC Policy and other applicable policies.
- **Annual acknowledgement** of ABAC compliance and **attend regular** ABAC training.
- **Help** Business Partners and Third Parties understand the practicality of our ABAC Policy.
- **Raise questions and voice concerns** if you are aware of any suspected violation of laws or internal policies.

- **Remember:** Pressure or demands due to business conditions are never an excuse for operating outside the law or behaving inconsistent to our policies and values.

### 2.2.3 Responsibilities of Business Partners and Third Parties

Business Partners and Third Parties can have a direct impact on our business through their behaviour and actions. As such, we would like to work with Business Partners and Third Parties who share the same ethical values and commitments as us.

Business Partners and Third Parties who work for and on behalf of YINSON are expected to act in the way that is consistent with our ABAC Policy. YINSON should “*know its partners*” before appointing them and to do so, YINSON will assess the suitability of its Business Partners and Third Parties through background checks, assessing their financial stability and risk profiling.

Third Parties may not be hired without either: (a) a written and executed contract or (b) a written and executed letter of intent that includes a binding agreement to comply with YINSON’s ABAC Policy (or its equivalent) and an indication of compensation and scope of work. Third Parties may not perform services for YINSON until engaged and may not be paid until after a contract is executed. No oral agreements or understandings are permitted pending award of a contract in question.

After appointment, as they are expected to be consistent with our ABAC Policy, they must acknowledge and agree to comply with the principles of our ABAC Policy. We will take appropriate measures if we believe that they have not met their contractual obligations.

Please refer to Policy and Procedure on Dealing with International Commercial Representatives and Policy and Procedure on Dealing with Business Partners and Third Parties for more information.

## 2.3 Guidelines for Making the Right Decisions

Making the right decision is not always a straight forward matter. There will be occasions where you are under pressure or unsure of what to do.

In such circumstances, you should ask yourself the following questions:

- Is it legal?
- Does it **meet the expectation and is it consistent with our ABAC Policy**?
- Does it **align with our values** generally?
- Would you be **comfortable** with the decision if it appeared in public news?

**If your answer is “NO” to any of these questions or if you are unsure, then you must immediately report to or seek guidance from the Legal Department or RMC Department.**

## 2.4 Reporting

All of us play an important role in safeguarding YINSON's integrity and values. You are required to immediately report on any **alleged or suspected** improper misconduct and/or acts that have breached our ABAC Policy or the relevant laws and regulations to the General Counsel.

You can also report your concerns in confidence via our confidential whistleblowing channel. Such reports will be treated with confidence and every effort will be made to ensure that confidentiality is maintained throughout the process. Anyone making a report of illegal or unethical behaviour in good faith is protected from discrimination or retaliation of any kind. Please refer to our YINSON's Group Whistleblowing Policy and Procedure for more information.

Such reports will be reviewed by the General Counsel and appropriate actions will be taken, which may include the following:

- i. Dismissing the report;
- ii. Requiring further investigations to be conducted; or
- iii. Imposing disciplinary or legal actions.

## 2.5 Non-Retaliation

YINSON commits to **protect the rights of individuals** who report issues, raise genuine concerns or make appropriate suggestions. YINSON will ensure that the Personnel are protected from any form of harassment or threats when he/ she:

- Reports in good faith without malicious intent(s);
- Reports what he/ she suspects is a violation of our ABAC Policy, Code of Ethics, Code of Conduct and Employee Handbook, other applicable policies or the law;
- Raises a compliance question or seeks advice about a particular business practice, decision or action; or
- Cooperates in an investigation of a potential violation of our ABAC Policy.

Any form of retaliation against such person will be regarded as a serious misconduct, which will be subject to disciplinary action(s). For more information, please refer to YINSON's Group Whistleblowing Policy and Procedure. In addition, any malicious allegations may lead to appropriate disciplinary action(s).

## **3.0 We Are Committed to Combat Bribery**

### **3.1 What is Bribery?**

Regardless of the location of your workplace, there are anti-bribery laws or regulations, which are applicable to you. Bribery is defined as:

- i. **Promises, offers or gifts of “anything of value”** (financial or non-financial), whether directly or indirectly, with the intention to induce or reward a person to act or refrain from acting in relation to the performance of that person’s duty; or
- ii. **Requests, agrees to receive or accepts “anything of value”** (financial or non-financial), whether directly or indirectly, with the intention to induce improper performance in relation to the person’s duty.

#### **What is “Anything of Value”?**

ABAC laws and regulations prohibit the giving or receiving of “anything of value” in order to obtain or retain business, or receiving/ providing an undue advantage in the conduct of business, which includes, but are not limited to, the following:

- Financial value - cash and cash equivalent (e.g. stocks, bonds, equities, discounts, gift vouchers, loans, advances).
- Extravagant hospitality, gifts or entertainment (e.g. travelling and tour expenses paid for a government official or Third Parties, five-star holiday travel received from a supplier).
- Contracts or business opportunities (e.g. promising and offering contractual business opportunities to Third Parties without going through the appropriate processes).
- Offers of employment services (e.g. offering internship placement to a politician’s son/ daughter, offering employment within YINSON to contractors’ relatives).

- Regulatory approvals or influence a court or arbitration decision (e.g. approval of visas, work permit, custom clearance).

### 3.2 Our Commitment against Bribery and Corruption

YINSON has zero tolerance against any acts of bribery and corruption, and any breach to our ABAC Policy. Therefore, YINSON's Personnel **MUST NOT**:

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| <ul style="list-style-type: none"><li>▪ <b>Give or accept any improper financial or non-financial advantages</b>, which would influence business decisions or secure unfair advantages;</li><li>▪ <b>Exert undue influence</b> on others to obtain benefits or rewards through wrongful means;</li><li>▪ <b>Use personal funds or resources</b> to make facilitation payments or bribes;</li><li>▪ <b>Give, offer or solicit</b> to pay bribes or kickbacks;</li><li>▪ Give, or accept gifts and entertainment <b>above the permissible limit and frequency under ABAC laws and regulations with unjustified business purpose</b>;</li><li>▪ <b>Make facilitation payments</b> unless faced in situations of imminent threats;</li></ul> | <ul style="list-style-type: none"><li>▪ <b>Seek inappropriate influence</b> on a government or Public Official;</li><li>▪ <b>Use YINSON's funds or resources</b> to support any government political party candidates or campaigns;</li><li>▪ <b>Request or receive (directly or indirectly) commissions, payments or rewards</b> from Business Partners and Third Parties as a result of investments, divestments, financing or expenditure made by YINSON;</li><li>▪ <b>Engage in any dealing involving a conflict of interest situation</b>; or</li><li>▪ Use social responsibilities, sponsorships or donations as <b>subterfuge</b> (such as sham payments and <b>with the intention to deceive</b>) for bribery and corruption (including facilitation payments).</li></ul> |
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This ABAC Policy sets out the guidelines in giving and accepting “anything of value” concerning hospitality, gifts and entertainment; facilitation payments; government or Public Official interactions; conflict of interest; and corporate social responsibilities, sponsorships and donations, details of which are in the following sections.

#### **4.0 Hospitality, Gifts and Entertainment**

Hospitality, gifts and entertainment are often courtesies that build corporate goodwill between YINSON and those we deal with. However, a conflict of interest may arise if these courtesies are received and extended with the intention to influence business decisions or secure unfair advantages.

The giving and accepting of hospitality, gifts and entertainment can be permitted if it is reasonable, proportionate and legitimate. You **must not** accept or give offer hospitality, gifts and entertainment if:

- Accepting or giving will make it difficult to make a fair and unbiased decision;
- It is made for the purpose of obtaining or retaining businesses, gaining improper business advantages or influence business decisions;
- It exceeds USD500 per person or more. Declaration to be raised and approval from the RMC Department or one (1) member of the Management Committee is required if it exceeds USD300 per person. You must declare and report any hospitality, gifts and entertainment received if it exceeds USD100 per person. Hospitality, gifts and entertainment above the allowable threshold of:
  - USD500 shall be considered and approved by RMC Department and two (2) members of the Management Committee on a case by case basis and on its merits; or
  - USD1,000 shall be considered and approved by RMC Department and Group Chief Executive Officer on a case by case basis and on its merits. If the request for approval was raised by the Group Chief Executive Officer, the request is to be verified by the RMC Department and to be considered and approved by one (1) member of the Board Risk Management Committee.

- Hospitality gifts and entertainment to government or Public Official should not exceed USD25 per person. However, if they are customary to the event, justification of the gifts should be accurately documented and approved by the RMC Department or one (1) member of the Management Committee.
- It exceeds the common business practices; or
- It comes with the expectation of receiving “*anything of value*” in return.

Common examples of business gifts with a nominal value include fruit baskets, food hampers, pens, caps, mugs and other moderately priced tokens of YINSON corporate gifts. However, **gifts in the form of cash or cash equivalent must never be given, accepted or solicited.**

Business hospitality activities, including meals and entertainment, are not prohibited as long as the nature and frequency of the occasion are reasonable and comply with the key principles mentioned above. Any business hospitality activities that (i) are illegal or in breach of local or foreign bribery laws; (ii) are extravagant and lavish; (iii) are sexually oriented; and/ or (iv) tarnish the reputation of YINSON are strictly prohibited and you should immediately not offer and must refuse such hospitality.

Stricter guidelines are applied to hospitality, gifts and entertainment relating to government or Public Official. For more information, see the section on *Government or Public Official Interactions*.

## 5.0 Facilitation Payments

### What are facilitation payments?

Facilitation payments are **inducements or incentives given to secure or expedite a routine function** that an individual is ordinarily obliged to perform. They are usually small unofficial payments paid to speed up routine administrative processes such as licenses, permits or visas.

Consistent with most ABAC laws on facilitation payments, at YINSON, we:

- **Prohibit** any form of facilitation payments; and
- **Must not offer, promise, give, request, or accept** anything, which might be regarded as a facilitation payment.

**An exception to this prohibition** may be tolerated if a facilitation payment is made in the context of an imminent threat i.e. loss of life, limb or liberty. Examples of such exceptional situations:

- You are in a foreign country where its custom officer has requested for a small payment from you or else he is going to confiscate your personal belongings and passport, and will take you in custody (threat to personal safety);
- Demand for payment to secure an emergency admission into hospital; or
- Demand for payment when there is a threat to shipment and personal safety or under duress of piracy.

In any circumstances, if you were offered facilitation payments, you must report it immediately or at the earliest opportunity to the Legal Department or RMC Department.

## 6.0 Government or Public Official Interactions

A high degree of risk exists when we interact with government or Public Official who may be in a position (actual or perceived) to make or influence decisions that affect our business.

Therefore, when dealing with government or Public Official, YINSON's guidelines and practices relating to hospitality, gifts and entertainment must be observed by YINSON's Personnel. You must be aware of local laws governing these interactions and ensure compliance at all times.

### YINSON does not:

- **Seek inappropriate influence** on a government or Public Official;
- Accept or give hospitality, gifts, entertainment or other courtesies **that could affect our objectiveness** or influence our commercial, professional or administrative relationship;
- **Give, offer or solicit to pay bribes or kickbacks** including lavish and extravagant gifts to Public Official;
- **Use personal funds or resources** to make facilitation payments or bribes;
- Accept or give **excessive, lavish, and illegal** hospitality, gifts or entertainment that can influence a business decision;
- **Make facilitation payments** to Public Official to secure or expedite a routine function that is non-discretionary such as issuance of visa, work permit or customs clearance; or
- Use **YINSON's funds or resources** to support any government political party candidates or campaigns.

## 7.0 Conflict of Interest

### What is conflict of interest?

Conflict of interest arises when an individual's **objectivity is compromised or perceived to compromise with his/ her professional obligation** at YINSON, by any form of personal interests.

You **should avoid** situations and positions where a personal relationship (e.g. family member, friend) and/ or personal benefit influences and impairs your ability to perform your professional obligations and responsibilities at YINSON. A possible conflict of interest may arise when a person:

- Has a financial interest and possess controlling rights in a supplier, competitor or customer when the person is involved in YINSON's decision making relating to, or of relevance, to the supplier, competitor or customer;
- Engages in activities that compete with, or perceived to compete with YINSON's interest; or
- Allows business decisions to be influenced, or appear to be influenced, by personal or family interests.

In the event that a conflict of interest arises or if you are in doubt, you should:

- Take immediate and appropriate steps to resolve or manage the conflict (e.g. eliminate the conflict by selling the shares held by you or your family members); and
- Disclose the conflict or possible conflict of interest to the Legal Department or RMC Department as soon as you realise it.

## **8.0 Social Responsibilities, Sponsorships and Donations**

Corporate social responsibilities, sponsorships and/ or donations **must not be a disguise of bribery or conduit** to fund illegal activities, which are in violation to our policies and procedures, and the applicable laws and regulations.

Good judgement has to be exercised in assessing the request of sponsorships or donations. YINSON must be certain of the intent and purpose of any donations or sponsorships given.

Any charitable contribution, sponsorships and corporate social responsibility activities should be reviewed by the respective Country Heads and approved by the Management Committee.

Such activities, if incurred, must be accurately stated and documented in YINSON's accounting books and records. When in doubt, YINSON's Personnel should seek further advice from the Legal Department or the RMC Department.

## 9.0 Record Keeping and Documentations

**Our goal** is to maintain accurate and precise records in order to be transparent.

At YINSON, we ensure that we will not: -

- Falsify, omit, misstate, alter or conceal any information or otherwise misrepresent the facts on a company record;
- Encourage or allow anyone else to compromise the accuracy and integrity of our records;
- Intentionally make a false or misleading entry in a record, report, file or claim; and
- Engage in any scheme to defraud anyone.

All our financial books and records must accurately reflect and disclose the business rationale, purpose, substance and legality of all our local and cross-border transactions, payments and expenses, gifts and entertainment received or given to Public Official, YINSON's Personnel and others.

## 10.0 Training and communication

All Personnel, Business Partners and Third Parties should be aware of the content of this ABAC Policy and other relevant policies and procedures. As such, these policies and procedures shall be **made readily available to all YINSON's Personnel.**

Mandatory ABAC annual training will be provided to all YINSON's Personnel. **It is your responsibility to complete the training(s) within the specified timeline.**

Contractual provisions relating to this ABAC Policy must be included in all contracts with Business Partners and Third Parties. This contractual provision should include the right for YINSON to exercise an inspection should there be any bribery or corruption misconduct or allegations reported. **Business Partners and Third Parties who work for and on behalf of YINSON must acknowledge annually that they are aware and will comply with our ABAC Policy.**

## 11.0 Non-Compliance

Non-compliance and violation of this ABAC Policy may be subjected to disciplinary actions (e.g. reprimands, demotions, formal warnings, dismissal or termination of employment contract) and/or any legal proceedings.

YINSON will have the right to exercise an audit or inspection on Business Partners and Third Parties who are alleged or reported to be in non-compliance with our ABAC Policy. If any of our Business Partners or Third Parties dealing with YINSON are found to have breached any ABAC laws or regulations or our ABAC Policy, such breach may result in termination of contract(s) and if required, subject to legal proceedings.