

Tabangao Reality, Inc. (TRI)
Anti-bribery and Corruption Manual

[Note: This Anti-bribery and Corruption Manual is also offered for use by companies not under TRI control, who wish to implement the equivalent of TRI's anti-bribery and corruption programme. It is offered on the strict understanding that no liability whatsoever arising out of its use will be attributed to TRI. It is the responsibility of TRI to ensure that the provisions of the Anti-bribery and Corruption Manual reflect local law. Please ensure the Anti-bribery and Corruption Manual is thoroughly reviewed by the President and completed/amended accordingly. This Anti-bribery and Corruption Manual will need to be customised for the relevant company in terms of department names, positions, documents related to business principles, ethics or conduct, websites, etc. Text in square brackets and red means some customisation may be required.]

This Manual for complying with laws that prohibit bribery of Government Officials and private individuals in the conduct of international business is owned by the President .

The TRI Management ("Management" must ensure that all employees, directors, officers, contract staff and secondees in every company in which TRI has a controlling interest (either directly or indirectly) adopt the requirements of this Manual. Contractors or consultants who are working on TRI's behalf or in the latter's name will be required to act consistently with this Manual when acting on TRI behalf. Non-TRI Operated Ventures (NOVs) are encouraged by TRI to adopt the same or equivalent standards and principles.

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1. Overview

Bribery occurs when there is an offer or payment made or the seeking or accepting of a payment, gift or favour to influence a business outcome. Bribery and corruption may involve Government Officials or private/commercial individuals and can be direct or indirect, through third parties and joint venture partners. TRI prohibits facilitation payments and considers them as bribes.

TRI is subject to national and international laws prohibiting bribery and corruption.

The Anti-bribery and Corruption Manual (ABC Manual) covers these external requirements and TRI's own rules to mitigate bribery and corruption risks. The Manual sets out stringent mandatory procedures which are critical to ensure compliance with all applicable laws and regulations.

Turning a blind eye to suspicions of bribery and corruption can result in liability for TRI and for individuals. Employees and contract staff can face fines and imprisonment for breaches of the law and may be subject to disciplinary action including employment or contract termination for breach of the Code of Conduct and this Manual.

Management is accountable for assessing the risks of legal and ethical non-compliance and for implementing relevant actions to address the risks identified. They are accountable for compliance with the mandatory requirements of this Manual and must ensure that:

- **Thorough due diligence is carried out and the correct approvals are sought before appointing a Government Intermediary.**
- **Employees have access to the Code of Conduct and know when to record gifts and hospitality and conflicts of interest.**
- **Any requests for the funding of social investment activities are legitimate and cannot be perceived to influence a business outcome.**
- **Payments are not made to political parties.**
- **The President has been consulted before recruiting a family member of a Government Official.**
- **Joint Ventures are aware of TRI's requirements with regard to the anti-bribery and corruption programme.**

TRI must ensure that their employees, partners, contractors and suppliers exposed to bribery and corruption risks understand their responsibilities, know how to report actual or suspected corruption and are aware of the company helpline. At all times accurate accounts and records of business transactions must be kept and all contracting and procurement activities must follow the company guidelines and standard operating procedures.

The Manual builds on the TRI General Business Principles and the Code of Conduct and forms part of the TRI's Control Framework. [The President is the owner of this Manual. The company's Board of Directors has the authority to agree to exceptions to the requirements of this Manual. If a business transaction needs an interpretation of this Manual they should consult the President.

2. Activities subject to mandatory requirements

This section sets out mandatory instructions that must be followed for specific types of activities.

2.1 Appointing Government Intermediaries

Management must ensure that:

- Any warning signs or causes for concern (red flags) raised through due diligence are resolved prior to issuing a tender to the Government Intermediary; and
- Engagement of a Government Intermediary is only approved by Management with the appropriate level of authority as defined in the Manual of Authorities.

Prior to appointing any Government Intermediary, TRI must apply the following procedure:

1. Ensure pre-qualification has taken place in accordance with the existing requirements set out in the Code of Conduct
2. Carry out due diligence in line with the risk criteria detailed in the requirements for Appointing an Intermediary before issuing the tender;
3. Prepare an engagement memorandum for the mandatory support from the Board of Directors detailing:
 - a) The due diligence carried out on the potential company and its officers;
 - b) The qualifications of the Government Intermediary for the scope of work to be tendered;
 - c) The reasonableness of the fees to be paid; and
 - d) Identified red flags, describing how each red flag has been resolved.
4. Use only written contracts with the appointed Government Intermediary, which include the clauses in the requirements for Appointing an Intermediary;
5. Declare as Records in Group Records Management (GRM) the due diligence file, engagement memorandum, certificates from the Government Intermediary (if any), management approval, agreement and advice and support given by the Board of Directors;
6. Ensure contract holders follow the requirements of the Code of Conduct; and
7. For contracts already in place, follow the above procedure upon renewal of contract or every three years, whichever comes first.

If during an engagement it becomes known or suspected that the engaged Government Intermediary has made or will make a corrupt payment to a Government Official all payments to the Government Intermediary **must** immediately be stopped and the matter referred to the President.

A Government

Intermediary is any person, company, firm or joint venture that is engaged in any way to represent TRI before a Government Official or to obtain any benefit from a Government Official, including an intermediary nominated by a Government but paid by TRI. However, attorneys representing TRI in private litigation are not considered Government Intermediaries for purposes of this Manual, provided that neither the Government nor a Government Official is a party to the litigation.

Government Intermediaries include:

- Commercial agents: consultants, business agents, distributors or other persons, including joint ventures or joint venture partners, engaged to assist in obtaining Government contracts or concessions.
- Processing agents: couriers, freight forwarders, customs agents, visa processors or persons providing similar services
- Professional agents: attorneys, accountants, lobbyists or other persons engaged on a professional basis to represent TRI in Government business or to lobby for a change in law.

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The above rules apply equally to any proposed subcontracts and assignments. Consent to subcontracting or assignment may not be given until the appropriate due diligence has been carried out on the proposed subcontractor or assignee (either by TRI or the principal contractor).

2.2 Awarding contracts to contractors or suppliers

Management must ensure that all their procurement activities follow the existing requirements set out in the Code of Conduct. Following the Code of Conduct ensures that:

1. Contractors and suppliers are made aware of the TRI General Business Principles, TRI Code of Conduct;
2. All contracts include the required clauses relating to the General Business Principles and the Code of Conduct;
3. Due diligence is undertaken where this is mandatory (see Chapter 2.1) before inviting them to tender and contractors or suppliers confirm (at the pre-qualification stage) their understanding of the requirements of the General Business Principles; and
4. The tender board process is followed to ensure transparency.

When the contract value exceeds \$50,000 within a 12 month period, the following instructions must be followed:

1. Ensure the potential contractor or supplier provides the following pre-qualification information:
 - a) Any affiliations with Government Officials. If the contractor or supplier is a Government Intermediary the requirements in Chapter 2.1 must be followed;
 - b) A completed Certificate for Contractors and Suppliers;
2. For contracts already in place, ensure the contractor or supplier provides the certificate set out in the requirements for Appointing Contractors :
 - a) If any red flags are now present; or
 - b) Upon renewal of contract or every three years, whichever comes first;
3. If the contractor or supplier refuses to supply a certificate under section 1(b) or 2 above decision of the Board of Directors must be obtained;
4. Declare all completed certificates and any advice from the Board of Directors as Records in the Group Records Management (GRM).

The above rules apply equally to any proposed subcontracts and assignments. Consent to subcontracting or assignment may not be given until the appropriate due diligence has been carried out on the proposed subcontractor or assignee (either by TRI or the principal contractor).

2.3 Offering or receiving Gifts and Hospitality (G&H)

Management must ensure that:

- G&H never influence or be perceived to influence a business decision;
- Any G&H offered or received are reasonable and proportionate;
- Prohibited G&H are never offered or received; and
- Per diem payments are never offered as an alternative to gifts, meals, lodging, entertainment or travel-related expenses unless: i) required by contract or local Government regulation, and ii) the Board of Directors has advised that doing so is acceptable.

Also, regarding Government Officials, TRI must never offer/agree to:

- Pay costs for additional days of travel to tourist destinations or private visits; or
- Pay costs for family members/guests unless advised by the Board of Directors that doing so is acceptable (Note: total costs for the Government Official and their family members/ guests should be attributed to the Government Official as a single sum in determining whether registration or the additional memorandum procedures below are required).

Prohibited G&H

- Illegal or inappropriate
- Cash or cash equivalents
- Loans
- Personal services
- Events/meals where the business partner is absent
- G&H that is or can be linked to important business decisions during sensitive decision periods

All employees and officers must seek approval from the President for:

- All G&H that could be perceived as creating a conflict of interest, accepted or declined;
- All G&H *from* any third party valued at \$150 or greater, accepted or declined;
- All G&H *to* a private/commercial individual valued at \$150 or greater, accepted or declined; and
- All G&H *to* a Government Official valued at \$20 or greater, accepted or declined.

Additionally, where the cumulative value offered by TRI *to* a Government Official is \$500 or greater in a calendar year, the following procedures are required:

1. Prepare a memorandum¹ providing;
 - a) A description of the proposed expenditure;
 - b) A detailed budget;
 - c) The name of the Government Official and, if applicable, the name of any Government Official's family member(s) or guest(s) who are also recipients;
 - d) A description of any interaction the Government Official has had or is expected to have with [Company];
 - e) Any facts that could cause an impartial observer to perceive the expenditure could obtain an improper business advantage; and
 - f) The business reasons for the expenditure;
2. Obtain the mandatory support from Board of Directors for the above memorandum;
3. Seek approval from management with the appropriate level of authority as defined in the **Manual of Authorities**; and
4. Declare the memorandum, support from the Board of Directors and management approval in Group Management Record (GRM) owner as a Record.

¹ **Approvals for entertaining Government Officials on multiple occasions** - The memorandum may cover a series of related meetings (an "umbrella" approval) within a calendar year. The actual expenditure associated with each of these meetings must be entered into the Code of Conduct Register and all receipts must be retained.

The following chart summarises the above requirements when offering or receiving G&H

The General Rule is: Do not offer/accept G&H if it will influence/appear to influence a business decision or is on the prohibited list

Prizes from external competitions or lotteries received by TRI staff

Where TRI staff member wins and wishes to accept or retain a prize or prizes of \$150 value or greater, the prize(s) should be approved by the President. The President will need to consider whether acceptance may create an actual or perceived influence over business decisions, especially if the prize is high in value. The President may seek advice from the Board of Directors.

2.4 Dealing with a Conflict of Interest (COI)

Management must ensure that:

- **Employees and officers are aware of the need to declare any COI to the President, whether the conflict is actual or perceived; and**
- **Managers resolve or escalate any reported actual or perceived COI and that the agreed mitigation is properly recorded in the Code of Conduct Register.**

Employees may obtain advice from the President to help determine if a conflict exists.

A COI may arise where an employee has outside employment (or financial participation) in a business that does business or seeks to do business with TRI. A COI may also occur when this employment or participation is by the employee's spouse, children or other close family member.

It is not possible to list all situations or relationships which may create a COI or the appearance of one, so each situation must be evaluated on its facts.

2.5 Funding Social Investment activities and Sponsorships

Management must ensure:

- **That the funding of Social Investment activities (e.g. charitable contributions/donations, joint Social Investment projects) or sponsorships requested by external stakeholders or initiated by TRI, are legitimate and not made to improperly influence a business outcome;**
- **That the proposed recipient is a legitimate organisation and due diligence is conducted on it accordingly:**
- **That reasonable efforts have been made to determine whether any Government Official is affiliated with the proposed recipient organisation and that this is declared as a Record in Group Records Management (GRM);**
- **That any red flags raised are resolved prior to committing funds; and**
- **That the appropriate person is identified to process the request/activity**

Before making a commitment in excess of \$250 the employee must undertake and document reasonable efforts to determine whether any Government Officials are associated with the proposed recipient. If there is any such association, they must:

1. Obtain a completed certificate from the proposed recipient of funds:
 - a) If there is a risk of a perceived improper advantage for TRI; or
 - b) If the proposed recipient is based in a high risk country, the request comes from a high risk country, or the activity takes place in a high risk country
2. Submit a memorandum) if the proposed recipient is Government owned or if a Government Official or their relative is involved (either through soliciting the proposed contribution/funding or by being the owner, shareholder, director, manager, patron or trustee of the recipient organisation) and it is reasonably expected that TRI may have business that could be influenced by that Government Official or the Government Official's agency, ministry or department.

The memorandum must be sent to the Board of Directors for review and mandatory support as to whether the investment should proceed and then to management with the appropriate level of

Social Investment can be defined as the contribution of skills and/or resources to a host society in order to provide lasting benefit to the host society and/or the environment and to TRI. By contrast, sponsorships primarily seek commercial benefits for TRI. They are a form of advertising to promote the TRI brand in which TRI offers funding to a company, association or other institution in return for a range of promotional opportunities.

Social Investment activities may range from increasing local capacity building skills to supporting national education, health or conservation programmes to name a few. Social investment may be voluntary or required by a host Government under a contract.

What types of Social Investment activities carry corruption risks?

1. Partnership agreements (joint funding of projects with Governments, not-for-profit organisations, international organisations and donors);
2. Consultancy or other collaborative agreements entered into for Social Investment purposes such as:
 - (a) Social Investment programmes;
 - (b) Social infrastructure delivery managed and / or funded by TRI (e.g. training by a non-Governmental organisation or hospital upgrades); and
3. Charitable contributions (grants, standalone donations to charities or donations in connection with a collaboration framework agreement with a not-for-profit organisation).

To the extent these activities require the appointment of contractors or suppliers go to chapter 2.2. Where Government intermediaries are involved go to chapter 2.1.

authority as defined in the Manual of Authorities for written approval AND must cover:

- a) A description of the proposed contribution/funding or sponsorship;
 - b) The recipient organisation and the controls they have in place to deal with ABC risks;
 - c) The name, involvement or role of the Government Official or relative;
 - d) Details of any interaction the Government Official has had or is anticipated to have with TRI;
 - e) Details of any pending issues in which the Government Official may be involved that could affect TRI;
 - f) All facts relevant to whether an impartial observer could perceive the proposed contribution as intended to obtain an improper advantage; and
3. Declare the certificates and/or memorandum, due diligence documentation, and approval from the Board of Directors as Records in Group Records Management.

2.6 Political Payments and Industry Associations

Management must ensure that payments from funds or resources are not made to political parties, political organisations or their representatives either directly or via third parties such as Industry Associations.

Candidates running for political office should be treated as a Government Official and thus any Gifts & Hospitality to/from them individually must meet the requirements in Chapter 2.3.

The President must follow these additional instructions:

Request the association to confirm that either:

1. No political contributions will be made with their funds; or
2. No TRI funding will be used to make political contributions.

If either of these requirements are not met, then the Board of Directors must be consulted on whether or how to proceed with the membership.

2.7 Recruitment of employees, contract staff and secondees

The recruitment of family members of Government Officials – even outside the country in which the Government Official or family member is located – can create the impression of impropriety, even when there is none and even when the recruit is properly qualified for the position for which they have been hired.

Accordingly, great care has to be taken when considering the recruitment of family members of Government Officials. Where such a situation arises, it must be brought to the attention of the President before progressing, who will advise appropriately having consulted the Board of Directors and taken other internal advice when necessary.

2.8 Mergers and Acquisitions

Due diligence for Mergers and Acquisition transactions must include due diligence for compliance with anti-bribery laws.

3. Managing anti-bribery and corruption compliance

4.1 Key roles and responsibilities

Management is accountable for determining their key legal and ethical compliance risks, implementation of the anti-bribery and corruption programme in terms of training, control improvements and the operation of the controls and for providing assurance on compliance with this Manual. Management will assess the risks of legal and ethical non-compliance and ensure these are considered where relevant to plans, decisions and operations. They will monitor, communicate and report changes in the risk environment.

The ABC compliance programme requirements will be established and communicated by the President through the TRI Control Framework, via foundation elements (General Business Principles, Code of Conduct, , Standards/Manuals) and processes (delegation of authority, strategy/planning/appraisal, assurance/compliance). Management is responsible for taking actions to manage the identified risks in a sustainable manner. They are also responsible for allocating and funding the resources required to support compliance programme implementation.

4.2 Managing incidents

The President will monitor processes for capturing and tracking allegations and investigations. They will review and analyse incident data and investigation performance and outcomes.

4. Glossary

Conflict of Interest (COI)	See Chapter 2.4.
Contract staff	Individuals' working for [Company] under [Company]'s day to day supervision.
Due diligence	An investigation into the facts and circumstances of a transaction or a business entity and its officers to ensure a full and complete understanding of the transactions and/or individuals.
Facilitation Payment	A payment made to induce a (usually low level) Government Official to perform a routine duty which that person is already obliged to perform and where that payment exceeds what is properly due.
Gifts and Hospitality (G&H)	Includes (but is not limited to) gifts, travel, accommodation, trips, services, entertainment, and any other gratuitous item, event, benefit or thing of value received from or offered to any person in connection with [Company] business.
Government Intermediary	See Chapter 2.1.
Government Official	• Official or employee of any Government, or any agency, ministry, department of a Government (at any level) • Any person acting in an official capacity for a Government regardless of rank or position • Official or employee of a company wholly or partially controlled by a Government but excluding [Company] staff seconded to such companies (for example, a state-owned oil company) • Political party and any official of a political party • Candidate for political office • Officer or employee of a public international organization, such as the United Nations or the World Bank • Immediate family member (meaning a spouse, dependent child, or household member) of any of the foregoing
Industry Association	Generally a membership-supported organisation whose mission is to offer assistance (e.g., market research) and represent the interests of those operating in a specific industry, also known as a trade association.
Per diem payment	A specific amount of money allocated to an individual to spend per day, to cover living and traveling expenses in connection with work (daily allowance).
Political Payment	• Contributions to any political campaign, political party, political candidate, or any of their affiliated organisations; • Expenditure related to political lobbying; • Expenditure related to memberships of Industry Associations that undertake political activity and / or political payments; • Any contributions that could be perceived to be any of the above

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Red flag	Term that denotes various attention indicators and signals, both explicit and implicit that warrant further investigation.
Record	A sub-set of information created or received as evidence of a business activity, or required for legal, tax, regulatory or accounting purposes, or of importance to the TRI, its business or corporate memory. Records may exist on paper, as physical items, as images or be stored in an electronically readable or audible format.
Social Investment	See Chapter 2.5.
Sponsorship	See Chapter 2.5.