

# Anti-Corruption Compliance Policies and Procedures

## Chapter 1. General Provisions

### Article 1. (Objective)

Hyundai Engineering & Construction Co., Ltd. (the "**Company**") has established rules for responsible, ethical and sustainable management of the Company in all countries and regions where it conducts business, and to guide its employees to make the right decisions and ethical judgements. This Anti-Corruption Compliance Policy and Procedures (the "**Policy**"), requires employees to comply with all applicable domestic and international anti-corruption laws and regulations (collectively the "**Anti-Corruption laws**").

As further detailed in Articles 9 and 16, failure by Employees and Associated Parties to comply with this Policy may result in dismissal and termination of the contractual relationship respectively.

### Article 2. (Scope of Application)

- ① This Policy applies to all directors, officers and employees (collectively, "**Employees**"), of: the Company in domestic and overseas business sites; the subsidiaries of the Company; and any joint ventures to which the Company is a party.
- ② This Policy also applies to temporary agency personnel, contract personnel, consultants, intermediaries, agents or any other third parties acting on behalf of the Company (such as subcontractors and vendors), its subsidiaries or other entities controlled by the Company, joint venture and consortium partners (collectively, "**Associated Parties**").
- ③ This Policy applies to activities and dealings with persons and entities in both the private sector and public sector.

### Article 3. (Definitions)

- ① The following definitions apply in this Policy:

A. "**Public Official**" means any domestic or foreign individual who: (a) holds a legislative, governmental, administrative or judicial position of any kind, including but

not limited to any officer or employee of a government or of any governmental department, agency or instrumentality; (b) is an employee of any majority government-owned or controlled company; (c) exercises a public function or acts in an official capacity for, or on behalf of, any country or territory; (d) exercises a public function for any public agency or public enterprise of a country or territory; (e) is an official, employee, or agent of any public international organisation or political party; (f) is a candidate for public office; (g) acts in an official capacity for, or on behalf of, any government (or department, agency, or instrumentality thereof) or public international organisation or majority government-owned or controlled company, even if not employed directly by them; or (h) is an employee of a state-owned or state-controlled organisation, company, entity or funding body (such as a national export finance agency), which may include investors or certain bank executives. It also means the employees of public international organizations – i.e., organizations that have nations or their governments as members, such as the African and Asian Development Banks, the European Union, the International Monetary Fund, the United Nations, the World Bank and the Organization of American States. Public Officials include individuals falling with the above definitions irrespective of seniority. For example, low level customs officials and all police force members are covered, not merely senior personnel.

B. **“Bribery”** has the meaning set out in Article 5.

C. **“Economic Benefits”** means: property benefits, including but not limited to, monies, securities, real estates, lodging tickets, admission tickets, discount vouchers, rights of using real estates or other equivalents, and anything of value in various forms, both tangible and intangible, such as exemption of debts, provision of employment opportunity, granting of rights and interest, and giving transportation, lodgement, hospitalities and entertainments, including but not limited to, meals, drinks and golf.

D. **“Financial Advantages”** means cash or cash equivalents (any and all easily encash-able Economic Benefits such as promissory notes, bills, debentures, gift certificates, securities, etc.) as well as all kinds of financial advantages, including but not limited to, debt repayment, guarantees, loan interest payment by proxy, free or discounted property or real estate.

E. **“Gift”** includes goods, membership cards, lodging tickets, admission tickets or equivalents provided without reasonable payment except for Financial Advantages.

F. **“Entertainment”** means the provision of hospitality, such as paying for meals, drinks, entertainment, sports (including golf), etc.

G. **“Convenience Offerings”** means providing transportation, accommodation, guidance for sightseeing & events, and support and reservation for sports facilities, except provision of monies or Entertainment.

H. **“Condolatory Goods”** means monies, property benefits, etc. associated with celebrating or mourning.

I. **“Contribution”** includes direct or indirect payments, loans, donations, cash equivalents, gifts, services, advantages or benefits (such as promotional support and political campaigning).

J. "Officer" means a person in the position of COO/CTO/CFO, general manager, team leader and project manager. In case of a team-level site, it includes a part leader.

K. "Politically Exposed Persons" means current or former senior political figure, their immediate family, and their close associates.

② Any terms that are not defined in this Policy shall be construed in accordance with the definition of applicable local Anti-Corruption laws.

#### **Article 4. (Compliance with domestic and international Anti-Corruption laws)**

① Employees shall comply with the Anti-Corruption laws of the Republic of Korea, including but not limited to: 'Criminal Code', 'Act on Aggravated Punishment, etc. of Specific Crimes', 'Act on Aggravated Punishment, etc. of Specific Economic Crimes', 'Act on Improper Solicitation and Graft Act', 'Act on Combating Bribery of Foreign Public Officials in International Business Transactions', and other relevant laws and regulations.

② Employees shall comply with all applicable Anti-Corruption laws in the area or country in which the Company conducts business, including but not limited to, the ['US Foreign Corrupt Practices Act'](#) and the ['UK Bribery Act'](#).

③ Employees shall comply with international agreements/conventions related to the prevention of bribery and corruption (Ex. the OECD Convention on Combating Bribery of Foreign Public Officials in International Transactions, UN Convention Against Corruption).

## **Chapter 2. Prohibited Conduct**

#### **Article 5. (Basic Principle)**

Employees must not directly or indirectly seek, solicit, offer, promise, give or demand, arrange or receive any bribe, kickback or any advantage of whatsoever nature, whether tangible or not (including Economic Benefits and Financial Advantages), to:

- A. obtain or retain business or other improper advantage/s for the Company;
- B. influence a business decision or Public Official (or act in any manner which could be perceived this way);
- C. compromise independent judgement (or act in any manner which could be perceived this way);
- D. induce or reward the improper performance of a function or activity; or

E. obtain any personal benefit or benefit for the Employee's family, friends, associates or acquaintances.

(any such acts amount to “**Bribery**”).

This includes all forms of bribes such as partial payment of deposits, rewards, and soft dollars.

#### **Article 5-2 (Employment/Recruitment process)**

Employees must not hire an employee, third-party agent or consultant where there is reason to believe that the person may attempt to engage in or otherwise commit Bribery.

#### **Article 6. (Detailed Guidelines)**

Notwithstanding Article 5, Employees may provide Economic Benefits to Public Officials or employees of client companies for legitimate business purposes. In such cases, the principles and procedures specified below must be followed.

① The provision of Financial Advantages is not permitted in principle. However, Condolatory Goods may be given under the following conditions:

- A. If absolutely necessary for compliance with local cultural practice, Condolatory Goods may be provided within the scope permitted by the local laws or the Code of Conduct for Public Officials in the applicable jurisdiction.
- B. Expenses related to the Condolatory Goods must be demonstrated, and properly classified and recorded in the Company’s books and accounting documents.

② Subject to the applicable local Anti-Corruption laws and the following conditions, offering Gifts, Entertainment, and Convenience Offerings may be possible only if the purpose of it is to promote the Company’s products and services and strengthen relationships.

Gifts and Entertainment are prohibited under this Policy if they:

- A. are intended to influence improper performance of an individual's duties;
- B. could create or are likely to create a conflict of interest;
- C. would cause embarrassment if disclosed to the public;
- D. are excessive in value;
- E. are frequently offered or requested to the same individual;
- F. are provided to spouses, or other family members of a business related person;
- G. are forbidden according to the internal regulations of the organization to which the recipient belongs and/or the laws of the country.

Annexure 1 to this Policy contains further guidance on the matters which Employees should consider before accepting or offering Gifts or Entertainment.

③ Contributions may only be provided if they meet the following conditions:

- A. Financial Contributions for political purposes must not be provided to political candidates, elected representatives or political parties, either directly or through a third party.
- B. They are not provided as an attempt to influence a government official, or as an attempt to return any promised or favorable treatment by any Public Official.
- C. They do not exceed the upper limit and standards established in the applicable country's laws or code of conduct for Public Officials.
- D. They are reasonable in value and consistent with local culture and customs.
- E. They are not frequently or repeatedly offered to a specific Public Official or employee of a client company.
- F. Details of the Contributions are supported by receipts, invoices, statements or other means and recorded and reflected accurately in the accounting books of the Company.
- G. The provision of reasonable and good-will Contributions under the Anti-Corruption laws is permitted, but is not permitted if;
  - 1. the recipient is a political organization, or is controlled by a political organisation;
  - 2. the recipient has business interests with the Company;
  - 3. it is known that the recipient is to use or is using the Contributions as a route to fund illegal activities;
  - 4. the Contribution would induce or reward the improper performance of a function or activity (or acts which could be perceived that way) by such persons or any other private person or Public Officials;
  - 5. the Contribution would influence such persons or other Public Officials in their respective categories with the intention of obtaining or retaining business or any other advantage for the Company.

Any Contribution should be approved in advance of payment by the Compliance Team.

## **Article 7. (Facilitation Payments)**

Facilitation payments are small payments (often nominal in value) sought by or offered to Public Officials to expedite or effect routine services or administrative actions provided by or performed by those individuals. Examples include: processing government papers such as visas or work permits, customs clearances, adequate police protection, or providing phone or water service.

Employees must not make facilitation payments, even if nominal in amount. The only exception to this rule is where the Employee's life is in danger or the Employee's liberty is threatened. If a demand for a Facilitation payment is accompanied by an imminent threat, then the Employee should put his or her safety first and make the payment and report it immediately to the Compliance Team. Any such payment must be recorded properly as a payment made under duress in the Company's books and records.

If an Employee is approached to make a payment, and is unsure whether it constitutes a facilitation payment, he or she should consult the Compliance Team or his or her Line Manager before making the payment.

## **Chapter 3. Associated Party Compliance**

### **Article 8. (Associated Party Compliance)**

① The Company may have legal responsibility for work undertaken by a third party or an Associated Party. Employees must therefore take care to prevent said third party or Associated Party from violating the Anti-Corruption laws and/or this Policy.

② In doing business with an Associated Party or a third party, Employees must also adhere to the requirements in the Counterparty Due Diligence Guideline (**Guideline**) [**Annexure 2. Counterparty Due Diligence Guideline**].

### **Article 9. (Signing of Contracts with Associated Parties)**

① All contracts between the Company and Associated Parties (or other third parties) must include the following provisions:

- A. A requirement not to pay or receive any bribes and to comply with the requirements of Anti-Corruption laws and conventions of the jurisdictions applicable to the Company's business operations;
- B. A requirement to comply with and act in a manner consistent with this Policy;
- C. A requirement to keep proper books and records available for inspection by the Company, auditors or investigatory authorities; and
- D. Where the Associated Party or other third party is an agent, consultant or intermediary, an obligation to report to the Company on a regular and continuing basis regarding the accomplishment of his or her duties.
- E. The Company has conducted the appropriate level of due diligence to evaluate potential compliance risks as per Guideline provided in Annexure 2. This includes, for example, checks regarding whether any Associated Party is a Public Official or Politically Exposed Person.

② The Employees who work with Associated Parties (or other third parties) must satisfy themselves that Associated Parties (or other third parties) comply with the Anti-Corruption requirements specified in the contract and shall keep written records of such findings.

③ Failure by Associated Parties to comply with this Policy may result in termination of the contractual relationship.

④ The fees and/or contract price payable to Associated Parties (or other third parties) must be appropriate remuneration for legitimate services actually rendered.

#### **Article 9-2 (Payments to Associated Parties)**

Employees must obtain prior permission/approval from the Compliance Team when making any payments set forth below:

- A. In cash (other than documented petty cash disbursements);
- B. With corporate cheques payable to "cash", "bearer" or third party designees of the party entitled to payment;
- C. To any other person or entity other than the Associated Party (or other third party);
- D. To an individual, entity or account outside the Associated Party's country of residence; or
- E. Where there is a reason to believe that any part of the payment made to the Associated Party may be passed on as a bribe or other inducement.

Employees must obtain prior permission/approval from the Compliance Team where an Employee:

- A. has any concerns regarding the amount of money being paid to the Associated Party (or other third party);
- B. has doubts as to whether the payments amount to appropriate remuneration for legitimate services actually rendered; or
- C. is unclear as to the ultimate destination of the payments.

## **Chapter 4. Recording and Management of Accounting Information**

#### **Article 10. (Accurate Record of Books)**

① The Company and Employees must promptly record all transactions clearly and accurately in accordance with the accounting standards and policies implemented by the Company. Such accounting information must be managed and maintained in accordance with the Company regulations.

② Employees must promptly and accurately record all expenses paid to Public Officials and classify them according to applicable Company regulations. All payments and expenses must be supported by appropriate receipts or other documentation reflecting the nature of the Economic Benefit, Financial Advantage, Gift or Entertainment, Convenience Offering or Contribution.

## **Chapter 5. Compliance Oversight**

### **Article 11. (Compliance Team)**

The Compliance Team will assist and promote the compliance by Employees with this Policy and applicable Anti-Corruption laws in relation to all the work performed by the Company. Any inquiries regarding this Policy or applicable Anti-Corruption laws should be directed to the Compliance Team immediately, so that the team can evaluate such information and provide appropriate assistance or guidance.

### **Article 12. (Responsibilities of Officer)**

- ① Officers of the Company must take steps to ensure that Employees fully understand and comply with this Policy by providing education and counselling, and must take sufficient precautions to avoid violation of this Policy.
- ② Officers of the Company must satisfy themselves that the Compliance Team undertakes regular checks to assess the possibility of violation of the Anti-Corruption Laws and/or this Policy in relation to the performance of the Company's business.

## **Chapter 6. Training and Inspection**

### **Article 13. (Training and Consultation)**

- ① Employees must attend anti-corruption training arranged by the Company. The anti-corruption training shall be conducted offline or online according to the Company's policy.
- ② Employees shall strictly comply with the Anti-Corruption laws and this Policy, and any inquiries regarding the Anti-Corruption laws and/or this Policy should be addressed to the Compliance Team.

### **Article 14. (Investigation and Monitoring)**

The Compliance Team is authorized to regularly or irregularly audit or investigate Employees' compliance with this Policy. Employees must cooperate with any such audit or investigation.

## Chapter 7. Reporting and Measuring Violations

### Article 15. (Reporting Violations)

- ① Any Employee who learns of a violation or a suspected violation of the Anti-Corruption laws and/or this Policy must make a timely report to the Compliance Team or his or her team leader. The Employee can use the whistleblowing system (Cyber Audit Office, E-mail, Telephone, etc.) in reporting the violation or suspected violation.
- ② The team leader who received a report from his/her staff should inform it to the Compliance Team immediately.
- ③ The Company and the Employees shall undertake to assure strict confidentiality of the informant and details of the report, and the informant shall not receive any detrimental treatment due to the report.
- ④ The following activities or circumstances must be reported to the Compliance Team immediately:
  1. Requests for payment in advance or prior to an award of a contract or other business;
  2. A request for contingency or "success" fees;
  3. A request for reimbursement of unusual, poorly documented or last-minute expenses;
  4. A request for payment in cash, to a numbered account, or to an account in the name of a different person;
  5. A request for payment in a different country;
  6. Circumstances where an Employee knows or has reason to believe that an Associated Party has a family member who is a Public Official, particularly if the family member is in a position to directly or indirectly influence the business of the Company;
  7. A refusal by an Associated Party to disclose its owners, partners or principals;
  8. The use of a shell or holding company that obscures ownership;
  9. The Associated Party becoming insolvent or having significant financial difficulties that would reasonably be expected to impact the venture;
  10. The Associated Party displaying ignorance of or indifference to local laws and regulations;
  11. The Associated Party being the subject of credible rumours or media reports impacting on the Associated Party's ethics.

### Article 16. (Measures against Violations)

- ① Employees who violate Anti-Corruption laws and/or this Policy or who do not cooperate in any investigation by the Company related to such violation are subject

to internal Company disciplinary actions under the Company's employment regulations.

② The Company shall not be obliged to provide assistance or support (including indemnification with respect to any civil or criminal action) to any Employee who is subject to sanction due to a violation of Anti-Corruption laws.

## **Addendum**

### **Article 1. (The effective date)**

- ① This Policy shall become effective on April 27, 2017.
- ② This Policy shall be amended and become effective on July 2, 2019.
- ③ This Policy shall be amended and become effective on March 19, 2020.

### **Article 2. (Interpretation)**

Any matters that are not stipulated in this Policy or that are difficult to determine the violation due to lack of clarity is subject to interpretation of the Compliance Team.

**Annexure 1: Guidance on the matters which Employees should consider before accepting or offering Gifts or Entertainment**

Employees should consider the following questions before accepting or offering Gifts or Entertainment:

1. Is this Gift or Entertainment a "reward" for a business transaction?
2. Could my acceptance or offer lead to an obligation or imply an obligation or compromise, or be perceived to compromise, independent judgement?
3. Is this Gift or Entertainment excessive in value?
4. Have Gifts or Entertainment been offered or accepted with undue frequency to this person?
5. Does the Gift or Entertainment breach any rules of the public or private body to which the recipient is subject?

If the answer to any of these questions is "yes" then the Gift or Entertainment should not be offered or accepted.

**ANNEXURE 2: Counterparty Due Diligence Guideline**