



**Addendum #1 to
Saga Welco AS Code of Conduct
28.08.2023**

**Anti-Corruption &
Anti Bribery Policy
28.08.2023**

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SAGA WELCO AS – ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

1. Policy statement

- 1.1. This Anti-Corruption and Anti-Bribery policy applies to all Saga Welco AS (Saga Welco) employees and has been implemented complement to the Saga Welco AS Code of Conduct to present a more specific Anti-Corruption and Anti-Bribery policy.
- 1.2. It is Saga Welco's policy to conduct all business activities in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate.

We do not and will not engage in bribery in any form. This includes direct bribery as well as bribery mediated by agencies, consultants, suppliers, partners, or other third parties.

For the purposes of this document, "bribery" does not only refer to actions that are explicitly prohibited as bribery in national laws or ordinances. "Bribe-giving" also refers to the provision of money or anything of value to another party for the purpose of obtaining corrupt business interests, or improperly influencing the performance of another party's duties; and to offering or promising the provision of such. "Bribe-taking" also refers to the act of receiving money or anything of value from another party for the purposes stated above; and to soliciting or promising to take such.

No money or anything of value that exceeds the bounds of ordinary social politeness shall be given to or received from other parties for any purpose or intent.

- 1.3. The purpose of this policy is to:
 - Set out the responsibilities of all Saga Welco employees in observing and upholding our position on bribery and corruption; and
 - Provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues.
- 1.4. We will uphold all laws relevant to countering bribery and corruption in all jurisdictions we operate. Relevant laws include among others the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, both of which are applicable all over the world.
- 1.5. Bribery and corruption are punishable for individuals in many countries of the world and if we are found to have taken part in corruption we could face fines, be excluded from tendering for contracts and face damage to our reputation. We therefore must take our legal responsibilities very seriously.
- 1.6. In this policy, third party means any individual or organisation you meet while your work for Saga Welco, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians, and political parties.

2. Who is covered by the policy?

This policy applies to all individuals working at all levels within Saga Welco, including senior managers, officers, director, employees (whether permanent or fixed term or temporary), consultants, contractors, trainees, seconded staff, casual staff and agency staff, volunteers, interns, seafarers, agents, sponsors, or any other person associated with Saga Welco, or any Saga Welco subsidiaries or their employees wherever located (collectively referred to as Staff in this policy).

3. What is bribery?

- 3.1 A bribe is an inducement or reward offered, promised, or provided to gain any commercial, contractual, regulatory, or personal advantage.
- 3.2 Giving and receiving money or anything of value outside of the bounds of ordinary social politeness is prohibited regardless of whether the other party is in the public or private sector, and regardless of the purpose or intent thereof. Note that even within the bounds of ordinary social politeness, bribery may be deemed to have occurred if money or anything of value are furnished to parties able to influence the results of tenders in which Saga Welco participates, regardless of whether these are provided prior to, during, or after the tender. Likewise, bribery may be deemed to have taken place if money or anything of value is received from another party for tenders conducted by Saga Welco.
- 3.3 The bounds of ordinary social politeness differ from country to country. Be fully cognizant of the laws and ordinances of other countries. Entertainment and gifts to public officials, etc. in other countries are subject to the public ethics rules and laws of the country, and in some cases, there are limits to the amount or number of times that entertainment or gifts may be provided to interested parties.
- 3.4 Excess value of any gift, regardless of whether the laws and/or practices in a specific country or jurisdiction allow for it, is in any case prohibited.

Examples:

Offering a bribe

You offer a potential client ticket to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier gives your nephew a job but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

4. Gifts and hospitality

- 4.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.
- 4.2 The giving or receipt of gifts is not prohibited, if the following requirements are met:
- It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits.
 - It complies with local law.
 - It is given in Saga Welco's name, not in your name.
 - It does not include cash or a cash equivalent (such as gift certificates or vouchers).
 - It is appropriate in the circumstances. For example, in some countries it is customary for small gifts to be given at the time of religious holidays.
 - The value of the gifts or promotional items accepted by a Saga Welco employee from any one party, or provided to any individual employee of a customer, must not exceed EURO 150 (or the equivalent in local currency) during the year.
 - Considering the reason for the gift, it is of an appropriate type and value and given at an appropriate time.
 - The transaction would not be viewed unfavourably by stakeholders if it were made known to them.
 - The gift or hospitality meets the rules or code of conduct of the recipient's organisation.
 - The expense is fully documented including purpose and approvals given and properly recorded in the accounts/reported to management.
 - It is given openly, not secretly; and
 - gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties.
- 4.3 We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

5. What is not acceptable?

It is not acceptable for you (or someone on your behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent, or representative to "facilitate" or expedite a routine procedure.
- Accept payment from a third party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them.
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

6. Facilitation payments and kickbacks

- 6.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.
- 6.2 It is also our policy to strive to ensure that our counterparties do not make facilitation payments on our behalf. If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns, or queries regarding a payment, you should raise these with your manager.
- 6.3 Kickbacks are typically payments made in return for a business favour or advantage. All Staff must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.
- 6.4 If the demand is accompanied by an immediate threat of physical harm to personnel, or threat to safety of the vessel or cargo, then put safety first, make the payment and report immediately to your manager the circumstances and amount of the payment.

7. Donations

We do not make contributions to political parties. Any charitable donations, sponsorships or advertising must be legal and ethical under local laws and practices. No donation nor sponsorship may be offered or made without the prior approval of your manager.

8. Your responsibility

- 8.1 You must ensure that you read, understand, and comply with this policy.
- 8.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All Staff are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 8.3 You must notify your manager as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the Schedule.
- 8.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

9. Record-keeping

- 9.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 9.2 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- 9.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers, and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off-book" to facilitate or conceal improper payments.

10. How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Compliance Officer.

11. What to do if you are a victim of bribery or corruption

It is important that you report to the Compliance Officer as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

12. Whistle blowing and protection

- 12.1 Staff who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 12.2 We are committed to ensuring no one suffers any detrimental treatment because of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavourable treatment connected with raising a concern.

13. Training and communication

- 13.1 New employees and representatives of Saga Welco must familiarize themselves with the Company's Code of Conduct and Anti-Corruption & Bribery Policies. All existing employees will receive regular, relevant training on how to implement and adhere to this policy.
- 13.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, and business partners at the outset of our business relationship with them and as appropriate thereafter.

14. Who is responsible for the policy?

- 14.1 The Management has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 14.2 Management at all levels are responsible for ensuring those reporting to them is made aware of and understand this policy and are given adequate and regular training on it.

15. Monitoring and review

- 15.1 The Management and the Compliance Officer will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy, and effectiveness. Any improvements identified will be made as soon as possible. Saga Welco's Code of Conduct and Anti-Corruption & Bribery Policies shall be implemented in the Company's Total Quality Management System under the prevailing ISO standard. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 15.2 All Staff are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 15.3 Staff are invited to comment on this policy and suggest ways in which it might be improved. Comments.

16. Performance of bribery due diligence and incorporation of anti-bribery clauses

When agreeing to new corporate acquisitions and J/Vs, bribery due diligence must be performed, and checks must be made of the anti-bribery measures of the other party, with the findings recorded. An anti-bribery clause must be incorporated in all agreements that are executed.

Bribery due diligence must also be performed when executing new agency agreements or new consulting agreements with third parties. Contracts must incorporate an anti-bribery clause.

Confirm the content of all existing contracts and add an anti-bribery clause to contracts that do not contain it.

Saga Welco shall endeavour to incorporate BIMCO's Anti-Corruption clause dated 24.11.2015 when chartering 'in' or 'out' vessels for single trips or periods and use best endeavours to include the BIMCO Anti-Corruption Clause in all new Contracts of Affreightment (CoA), and for renewal of existing CoA's.

SCHEDULE A – POTENTIAL RISK SCENARIOS: "RED FLAGS"

The following is a list of possible red flags that may arise while you work for Saga Welco, and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

The definition of a 'third party' in the following is any client of Saga Welco and/or suppliers of goods and/or services. If you encounter any of these red flags while working for Saga Welco, you must report them promptly to your line manager:

- a) You become aware that a third party engages in, or has been accused of engaging in, improper business practices.
- b) You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials.
- c) A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us or carrying out a government function or process for us.
- d) A third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
- e) A third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business.
- f) A third party requests an unexpected additional fee or commission to "facilitate" a service.
- g) A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- h) A third-party request that a payment is made to "overlook" potential legal violations.
- i) A third-party request that you provide employment or some other advantage to a friend or relative.
- j) A third party insists on the use of side letters or refuses to put terms agreed in writing.
- k) You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
- l) A third party requests or requires the use of, or the payment for, an agent, intermediary, consultant, distributor, or supplier whose services are typically not required.
- m) You are offered an unusually generous gift or offered lavish hospitality by a third-party.

SCHEDULE B - BIMCO ANTI-CORRUPTION CLAUSE FOR CHARTER PARTIES

- a) The parties agree that in connection with the performance of this Charter Party they shall each:
- (i) always comply with all applicable anti-corruption legislation and have procedures in place that are, to the best of its knowledge and belief, designed to prevent the commission of any offence under such legislation by any member of its organisation or by any person providing services for it or on its behalf; and
 - (ii) make and keep books, records, and accounts which in reasonable detail accurately and fairly reflect the transactions in connection with this Charter Party.
- b) If a demand for payment, goods or any other thing of value ("Demand") is made to the Master or the Owners by any official, any contractor or sub-contractor engaged by or acting on behalf of Owners or Charterers or any other person not employed by Owners or Charterers and it appears that meeting such Demand would breach any applicable anti-corruption legislation, then the Master or the Owners shall notify the Charterers as soon as practicable and the parties shall cooperate in taking reasonable steps to resist the Demand.
- c) If, despite taking reasonable steps, the Demand is not withdrawn, the Master or the Owners may issue a letter of protest, addressed, or copied to the Charterers. If the Master or the Owners issue such a letter, then, in the absence of clear evidence to the contrary, it shall be deemed that any delay to the Vessel is the result of resisting the Demand and (as applicable):
- (i) the Vessel shall remain on hire; or
 - (ii) any time lost as a result thereof shall count as laytime or (if the Vessel is already on demurrage) as time on demurrage.
- d) If either party fails to comply with any applicable anti-corruption legislation it shall defend and indemnify the other party against any fine, penalty, liability, loss, or damage and for any related costs (including, without limitation, court costs and legal fees) arising from such breach.
- e) Without prejudice to any of its other rights under this Charter Party, either party may terminate this Charter Party without incurring any liability to the other party if:
- (i) at any time, the other party or any member of its organisation has committed a breach of any applicable anti-corruption legislation in connection with this Charter Party; and
 - (ii) such breach causes the non-breaching party to be in breach of any applicable anti-corruption legislation.

Any such right to terminate must be exercised without undue delay.

- f) Each party represents and warrants that in connection with the negotiation of this Charter Party neither it nor any member of its organisation has committed any breach of applicable anti-corruption legislation. Breach of this Sub-clause shall entitle the other party to terminate the Charter Party without incurring any liability to the other.

SCHEDULE C – COMPLIANCE OFFICER CONTACT DETAILS

Saga Welco AS Compliance Officer can be contacted as follows,

Trond Moe Hanssen

Compliance Officer

E-mail: tmh@sagawelco.com

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