ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

1. INTRODUCTION

1.1 Halcyon Agri Corporation Limited (the “Company” and together with its subsidiaries, the “Group”) and its board of directors (the “Board”) are committed to acting lawfully and conducting business with integrity, fairness, transparency. The Group has zero tolerance for bribery and corruption in any form, direct or indirect.

1.2 This Anti-Corruption and Anti-Bribery Policy (the “Policy”) contains information intended to reduce the risk of corruption and bribery from occurring in the Group’s activities. The Company strictly prohibits all forms of corruption and bribery and will take all necessary steps to ensure that corruption and bribery do not occur in its business activities.

2. OBJECTIVES AND SCOPE

2.1 This Policy outlines and explains the prohibitions against bribery and corruption in all of the Group’s operations, to highlight the specific compliance requirements relating to these prohibitions, and to reinforce the Group’s commitment to conducting business globally with the highest level of honesty and integrity.

2.2 This Policy provides information and guidance on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion, and it is intended to ensure compliance with applicable laws and regulations for the prevention of corruption and bribery, as well as the Group’s ethical standards and expectations.

2.3 This Policy applies globally to all directors, management and employees of the Company and its related corporations (the “Company Employees”). In addition, the Company’s customers, suppliers, consultants, distributors, joint venture partners and any other third-party representatives performs services for or on behalf of the Company (collectively, “Associated Persons”) are expected to comply with this Policy.

3. FORMS OF CORRUPTION AND BRIBERY

3.1 Acts of corruption and bribery are accepting, receiving, demanding for, offering, promising, authorising, or giving any gratification to influence the person, customer, business partner, agent, supplier, employee of other contracting party, or their relatives of business associates, in the performance of their duty and induce them to do a favour with a corrupt intent.

3.2 There are many kinds of gratification or bribes, including gifts, money, loans, employment offers, donations, sponsorships, sexual acts, real estate properties, business opportunities, promises and services. In return, a person may ask for favours which can include unfair personal or business advantages, confidential information and other special privileges.
4. **KEY PRINCIPLES AND COMPLIANCE**

4.1 The Group strictly prohibits any forms of corruption and bribery in conducting our business.

4.2 Company Employees must practice fair dealing, honesty and integrity in every aspect of dealing with other employees, customers, suppliers, competitors, shareholders, the business community, and the public and government authorities.

4.3 Company Employees and Associated Persons may not, directly or indirectly, (i) offer, (ii) promise, (iii) agree to pay, (iv) authorise payment of, (v) pay, (vi) give, (vii) accept, or (viii) solicit anything of a significant value (other than salary, wages or other ordinary compensation from the Company) to or from any third party in order to secure or reward an improper benefit or improper performance of a function or activity. They should also avoid any conduct that creates even the appearance of improper activity or conduct.

4.4 The Group operates in some countries where the request for bribes in order for business to progress is common place. Payment of such bribes no matter how small, is prohibited. Company Employee should seek consultation with immediate supervisor who should discuss with relevant authorities.

4.5 Company Employees are required to observe the anti-corruption and anti-bribery legislations and regulations in the countries where the Groups operates and do not engage in any corrupt or bribery practices. Violations can have severe consequences for the Group, Company Employees and Associated Persons, including criminal and civil penalties.

4.6 The Company and Company Employees should record all financial transactions according to the Company’s financial and internal control policies and procedures. Payments and other compensation to third parties should be accurately recorded in the Company’s corporate books, records, and accounts in a timely manner and in reasonable detail. Proper reporting should include clear notation regarding the nature of each expense, identification of all recipients and/or participants, the necessary approvals received for the expense and the accounts payable voucher.

4.7 Failure to comply with this Policy may result in severe consequences. Any Company Employee or Associated Person found to have engaged in prohibited conduct or ignored suspicious activity may face discipline, including termination of employment or contract and/or referral to appropriate law enforcement authorities for criminal prosecution.

5. **GUIDELINES ON SPECIFIED ACTIVITIES**

5.1 *Gift, Meal and Entertainment.* This Policy does not prohibit expenditures of reasonable amounts for gift, meal and entertainment of suppliers and customers which are an ordinary and customary business practice for various legitimate reasons. Provision of gifts, meals and entertainment should not be lavish, extravagant or out of line with country or industry norms, and not prohibited under the local laws.

5.2 *Facilitation Payments.* All facilitation payments are prohibited by this Policy. Company Employees and Associated Persons must not make facilitation payments of any kind or allow others to make them on behalf of the Group.

5.3 *Charitable Donations.* All charitable contributions must be made in accordance with ethical standards and in compliance with all applicable laws. Company Employees must not use charitable donation to conceal a bribe.
5.4 **Political Contributions.** The Company does not make donations to political parties and political associations (as defined under the Political Donations Act, Chapter 236, Singapore) nor to candidates and/or election agents in a parliamentary election or presidential election. Company Employees must not make political contributions, monetary or non-monetary, for the purpose of obtaining, retaining or directing business to the Company or any other entity.

5.5 **Abuse of Position.** When acting on behalf of the Group, Company Employee must not abuse his position in the company for unfair personal advantage and benefits through sales, trading, purchasing or investment transactions.

6. **WORKING WITH ASSOCIATED PERSONS**

6.1 The Group do not condone the action of, nor do we wish to be held liable for, any of the Associated Persons who may have made any bribes whilst acting for us, whether with or without our knowledge.

6.2 It is important that all Associated Persons are aware of and acknowledge the Group’s zero tolerance to corruption and bribery and comply with the applicable anti-corruption and anti-bribery laws. The Associated Persons should undertake not to engage in any form of bribery or corruption.

6.3 It is vital that Company Employees pay close attention to the Company’s relationships with Associated Persons. Each Associated Person should be carefully selected and evaluated by the Company Employees before the engaging any third-party representative performs services for or on the Company’s behalf, and Associated Persons should be selected solely on the basis of merit.

6.4 While each Associated Person relationship should be evaluated on its specific facts, examples of “red flags” that may signify a heightened risk to the Company are provided at Appendix 1 as a guidance. If a potential Associated Person or Associated Person exhibits one or more of these “red flags,” either before entering into a business relationship, or while that relationship is ongoing, the Company Employee must raise those issues with a supervisor for further review and due diligence.

7. **REPORTING ACTUAL OR SUSPECTED WRONGDOING**

7.1 Any Company Employee or Associated Person who is asked to provide or is offered bribery in a manner that is prohibited by this Policy or suspects that another Company Employee, Associated Person or anyone else is engaging in conduct that this Policy prohibits, must contact a supervisor or follow the procedure for reporting under the Company’s Whistleblowing Policy.

7.2 Any report of a suspicious conduct will be treated as confidential. No Company Employee or Associated Person acting in good faith will suffer adverse consequences for reporting or for refusing to engage in prohibited conduct, even if such refusal results in loss of business to the Company.

7.3 The Group will not tolerate any retribution or retaliation against anyone who has, in good faith:

   (a) sought advice regarding any conduct that may have violated this Policy;

   (b) refused to participate in conduct that may violate this Policy, and/or

   (c) has reported a good faith suspicion of a violation of this Policy.

7.4 Company Employees can be regarded as having sufficient knowledge for a violation of anti-corruption and anti-bribery laws in the countries which the Group operates its business. Company Employees should not ignore corruption or bribery-related issues that come to their attention in the course of business. “Turning a blind eye” to, or ignoring, suspicious actions on the part of Company Employees or Associated Persons is not a defence to criminal liability.
8. ANTI-CORRUPTION AND ANTI-BRIBERY LAWS

The Group and all the Company Employees and Associated Person must comply with anti-corruption and bribery legislation of Singapore and any country in which the Group operates or does business, including but not limited to:

(a) Prevention of Corruption Act, Chapter 241 of Singapore;
(b) The Bribery Act (UK);
(c) The Foreign Corrupt Practices Act (US); and
(d) Other local anti-bribery laws.

9. IMPLEMENTATION AND COMMUNICATION OF POLICY

9.1 It is the responsibility of every Company Employee to read, understand and comply with this Policy. Company Employees and certain Associated Persons will receive relevant training sessions to guide their compliance.

9.2 This Policy is subject to regular review by the Company, and it may be revised periodically to reflect changes in the Company's procedures.
“Red Flags” for Potential Risk of Corruption or Bribery of Agent

While every transaction and/or counterparty should be evaluated on its specific facts, there are several “red flags” in relation to third parties (i.e. potential or current counterparties or potential or current Associated Person) that may signify a heightened risk of corruption or bribery. Some of those “red flags” include the following:

(a) The third-party has a reputation for accepting or demanding bribes, and/or has requested to make or receive a bribe.
(b) The third-party has been subject of previous enforcement action(s) for corruption-related offenses.
(c) The third-party's report of its business structure is unusual, incomplete, or overly complex with a lack of transparency.
(d) The third-party provides incomplete, false, or misleading business contact information.
(e) The third-party requests unusual payments or financial arrangements (e.g. requests to accept payments in cash or through an agent; requests the Company to complete unnecessary, inaccurate or unexplained invoices; travel agent requests payments in addition to ordinary commission or remuneration offered to other similar type agents in the same country), or has a pattern of over-invoicing or incorrect invoicing, or overpayments and requests for refunds.
(f) The third-party requests a split of purchases to avoid procurement thresholds.
(g) The third-party proposes unnecessary change orders to increase contract values after award of the contract.
(h) The third-party is vague or elusive about source of funds for the transaction or activity.
(i) The third-party has large sums of cash or currency available for the transaction or business activity with no corresponding business that generates the high revenue stream.
(j) The third-party seeks to make or receive payment from or to a foreign country account other than the location of the party's business or the service performed, unless the agent has legitimate reasons for requesting for such arrangement.
(k) An unnecessary middleman or local is involved in the contract or negotiations, and his addition has no obvious value to the performance of the contract.
(l) The third-party boasts about relationships with local government officials, such as immigration or customs officials, government officials.
(m) The third-party engages questionable subcontractors or local agents.
(n) In a bid process, the request for proposals include very narrow contract specifications that seem to favour a specific bidder and exclude others.
(o) The third-party requests that the Company not report or disclose a particular activity or transaction.
(p) The third-party threatens to withhold services absent payments to individuals in addition to contractually agreed payments, or payments in cash or cash equivalents.
(q) A Government Official insists on a specific person or company to serve as agent.
(r) The third-party refuses to agree to the contractual provisions.
(s) The third-party's business is not listed in standard industry directories, or is unknown to people knowledgeable about the industry.
(t) During negotiations, the third-party seems indifferent to the price for the Company products or services, or otherwise fails to act in a profit seeking manner.
(u) The third-party insists that its identity remain confidential or refuses to divulge the identity of its owners or principals.