



<b>Category:</b>	Regulatory Compliance	<b>Policy No:</b>	0001
<b>Title:</b>	Suppliers' Code Of Conduct for top 20 vendors/subcontractors (as an extension to Code of Conduct)		
<b>Date Issued:</b>	27 Feb 2018	<b>Approved By:</b>	KST MARITIME Management
<b>Date Revised:</b>	N.A.		

**KST MARITIME PTE LTD & MAJU MARITIME PTE LTD (collectively known as "KST") SUPPLIERS' CODE OF CONDUCT FOR TOP 20 ACTIVE VENDORS/SUBCONTRACTORS**

**1 PURPOSE**

Under the main KST Code of Conduct for its employees, KST employees are expected to have honesty and integrity. Similarly, KST sets the same standard of ethical requirement on its suppliers/vendors or subcontractors, by having the Suppliers' Code of Conduct Policy. This policy is an extension of KST Code of Conduct.

**2 SCOPE**

**Suppliers' Code of Conduct shall apply to the number of vendors/subcontractors covering at least 85% of total procurement cost, or alternatively covering top 20 active vendors/subcontractors. For the purpose of this policy, the word "vendors" include subcontractors.**

**3 SUPPLIERS' CODE OF CONDUCT**

Before appointment and/or re-appointment of approved vendors, enforcement should be carried by Procurement on compliance with KST Suppliers' code of conduct as described below:

- (a) the Vendor has read, understood and agrees to comply with the KST Suppliers' Code of Conduct, as described below:
- *Vendor represents and warrants that it is and will comply with all the laws of those countries that it operates in, including laws that prohibit corruption, bribery or any unlawful practices.*
  - *Vendor undertakes not make any payments or offer gifts to employees of KST and anyone (including government officer) that violate anti-corruption laws. (However, Vendors may offer festive gifts etc, but subject to conditions as set out under "Gifts & Hospitality" Policy).*
  - *Vendor understands that the KST has the right to terminate this Agreement, if there is a breach of Suppliers' Code of Conduct without prejudice to any of KST's rights to claim damages, losses or any other reliefs available to KST,*
  - *Vendor understands that KST reserves the right to withhold payment, should there be any suspicion of violation of KST Suppliers' Code of Conduct.*
  - *Vendor understands that KST reserves the right to audit the Vendor, should the need arise.*
- (b) the Vendor undertakes that KST will be advised if there are any changes to these declarations, or of any circumstance which would make these declarations untrue.

**4 PROCEDURES**

The Suppliers' code of conduct shall apply to the number of vendors/subcontractors, covering at least 85% total procurement cost, or alternatively covering top 20 active vendors:

- (a) Cycle of Certification: Certification by Head of Procurement on the re-appointment of top 10 vendors should be carried out on a yearly basis, while the remaining 10 vendors (out of top 20) on every 3 years' cycle, as shown under **Annex I**. (b) Anti-corruption clauses:
- (i) *Option 1: to insert the clauses relating to the Suppliers' Code of Business Conduct and its anti-corruption/anti-bribery policy and procedures in the Contract/Agreement between KST and the vendor (**Annex II**), or*
  - (ii) *Option 2: alternatively, to get the vendor to certify/sign on compliance with the Suppliers' Code of Conduct and its anti-corruption/anti-bribery provision (**Annex III**)*



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**Annex I**

**Certification\* by Head of Procurement on Appointment of approved vendor -----**  
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**To be completed by Head of Procurement**

Appointment of vendor: \_\_\_\_\_  
Name of vendor Vendor's Code

We have reviewed the above-named vendor's credential by conducting background check and assess whether this selection/re-appointment as KST Maritime Pte Ltd and Maju Maritime Pte Ltd (collectively known as "KST")'s vendor is in compliance with the KST Suppliers' Code of Conduct and its anticorruption & anti-bribery policies and procedures.

**Based on work done, this selection/re-appointment as KST's approved vendor is**

**APPROVED / PENDING / NOT APPROVED (delete whichever not applicable)**

Remarks: \_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Position: \_\_\_\_\_

\* **Note:** Certification Cycle - top 10 vendors on yearly basis & remaining 10 vendors (out of top 20) on every 3years' cycle.



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## Annex II

### Option 1: Insertion of Anti-corruption clauses in Approved Vendor's Agreement

Procurement/Purchasing could arrange to insert anti-corruption clauses in the written agreement between the KST and approved vendor that:

- (a) the Vendor has read, understood and agrees to comply with the KST Maritime Pte Ltd and Maju Maritime Pte Ltd (collectively known as "KST") Suppliers' Code of Conduct, as described below:
  - (i) Vendor represents and warrants that it is and will comply with all the laws of those countries that it operates in, including laws that prohibit corruption, bribery or any unlawful practices.
  - (ii) Vendor undertakes not make any payments or offer gifts to employees of KST and anyone (including government officer) that violate anti-corruption laws.
  - (iii) Vendor understands that the KST has the right to terminate this Agreement, if there is a breach of Suppliers' Code of Conduct without prejudice to any of KST's rights to claim damages, losses or any other reliefs available to KST,
  - (iv) Vendor understands that KST reserves the right to withhold payment, should there be any suspicion of violation of KST Suppliers' Code of Conduct.
  - (v) Vendor understands that KST reserves the right to audit the Vendor, should the need arise.
- (b) the Vendor undertakes that KST will be advised if there are any changes to these declarations, or of any circumstance which would make these declarations untrue.



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**Annex III**

**Option 2: Approved Vendor's Certification on compliance with anti-corruption provision:**

Procurement/Purchasing to arrange with top 20 active vendors\* to provide the following sample of certification.

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**Certification by approved vendor**

**Name of Approved Vendor:** \_\_\_\_\_ (the "Vendor")

I certify that I have read, understood and complied with the KST Maritime Pte Ltd and Maju Maritime Pte Ltd (collectively known as "KST") Suppliers' Code of Conduct and its anti-corruption/bribery policies & procedures, as described below:

- (i) Vendor represents and warrants that it is and will comply with all the laws of those countries that it operates in, including laws that prohibit corruption, bribery or any unlawful practices,
- (ii) Vendor undertakes not make any payments or offer gifts to employees of KST and anyone (including government officer) that violate anti-corruption laws,
- (iii) Vendor understands that KST has the right to terminate any contract/agreement/purchase order, if there is a breach of KST Suppliers' Code of Conduct without prejudice to any of KST's rights to claim damages, losses or any other reliefs available to KST,
- (iv) Vendor understands that KST reserves the right to withhold payment, should there be any suspicion of violation of KST Suppliers' Code of Conduct,
- (iv) Vendor understands that KST reserves the right to audit the Vendor, should the need arise.

Vendor undertakes that KST will be advised if there are any changes to these declarations, or of any circumstance which would make these declarations untrue.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Vendor Name : \_\_\_\_\_ Position: \_\_\_\_\_

**Authorised Signatory**

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*Note: Vendor included Subcontractor*

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