



## POLICY STATEMENT

### 1. Background

For over 100 years, the STC group of companies has been recognised as acting responsibly in the course of achieving its commercial success. Our reputation for fair dealing and integrity is a great asset: preserving this asset depends on maintaining our high standards. Compliance with this Code is an essential part of our doing so.

### 2. Scope of Application

This Code applies to all employees, officers and directors of Steamships Trading Company Limited and its subsidiaries ("Relevant Persons") collectively the STC Group or STC and is applicable anywhere where STC Group do business. In the case of joint ventures, the STC Group representatives involved/concerned are expected to act in accordance with this Code themselves and to use reasonable endeavours to influence those with whom they are working to ensure they also act to similar standards of integrity and ethical behaviour.

This Code establishes general principles. Certain areas covered by the Code may be the subject of more detailed provisions and requirements established by other documents. Business units within STC Group are required to adopt this Code of Conduct and the procedures designed to put these general principles into practice.

### 3. The STC Group Operating Principles

The STC Group is committed to the highest standards of business ethics, conducting all its businesses with integrity and fairness, and committing the group and Relevant Persons to:

- Comply with all the applicable local, national and cross border laws and regulations in each of the countries/jurisdictions in which it operates
- Strive to make The STC Group an enjoyable and rewarding place to work
- Provide high quality products and services
- Maintain the highest standards of professionalism, business ethics, and corporate governance
- Ensure the safety of employees, customers, suppliers, business associates and all others who come in contact with the group.
- Meet the highest standards in discharging our corporate social responsibilities
- Behave with courtesy and respect to everyone we encounter in the course of our business
- Meet ethical and legal standards in relation to the privacy and confidentiality of personal and business information
- Promote the application of this Code in all dealings and to give preference in business dealings to those who adhere to similar business ethics.

### 4. Implementation

Responsibility for the implementation of this Code ultimately rests with the Finance Director/Managing Director and Board of Directors of each STC Group entity, who are expected to oversee implementation of the Code to their individual business units, be responsible for communicating its contents to employees and business partners and ensuring compliance. Audit Committees must be kept fully informed of any material breaches of any aspect of this Code.

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## 5. Interpretation

In this Code:

**“Advantage”**

Includes any money, gift, loan, fee, reward, commission, employment, payment, release, discharge, contract, service, promise and any other favour.

**“Connected Person”**

Includes any family member or relative of a Relevant Person and any company which is controlled by a Relevant Person or a family member of a Relevant Person.

**“Government Official”**

Includes any officer or employee of any Government Entity or any candidate

**“Government Entity”**

Means any national, regional or local government and any department, agency or instrumentality thereof and any entity owned or controlled by another Government Entity or the Independent State of Papua New Guinea.

## 6. Procurement principles

In procurement the STC Group requires Relevant Persons to support the following principles:

- Each company in the group should develop thresholds as to the size of the purchase, above which tendering should be carried out. For purchases exceeding this limit, suppliers should be selected on the basis of competitive tendering, including the impartial selection of appropriately qualified suppliers.
- Whenever competitive tendering above the size threshold is not carried out, a file note explaining why such tendering was not done should be produced and kept on the supplier file.
- Re-tendering should in general take place at least every three years.
- Monitoring systems should be put in place to ensure the proper fulfilment of contractual obligations and to provide reasonable assurance that fraudulent or corrupt activities are prevented.
- Suppliers should be encouraged to confirm that no personal benefit accrues to STC personnel or supplier personnel from this business arrangement and that they have complied with all legal requirements.

## 7. Gambling

Relevant Persons should not engage in frequent or excessive gambling of any kind with persons having business dealings with STC. In social games of chance with clients, suppliers or business associates, they must exercise judgment and withdraw from any high-stake games.

## 8. Keeping of Records

The STC Group is committed to keeping proper records and following sound accounting policies. All company books, records, accounts and invoices must be created and maintained so as to reflect fairly and accurately and in reasonable detail the underlying transactions and the disposition of company business. All relevant expense should be properly approved and recorded in the financial records.

This Code prohibits all Relevant Persons from making any false or misleading statements or other entries in financial records. This Code also prohibits Relevant Persons from creating, maintaining and using any off-the-record accounts with banks or any other third parties and from destroying company records before the normal destruction date.

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## 9. Use of Information/Company Property

This Code strictly prohibits Relevant Persons from providing or making available confidential or insider information to anyone outside STC without proper authorisation. Similarly, this Code strictly prohibits Relevant Persons from making use of confidential or insider information to secure advantage personally or for another party.

Directors and officers of the STC Group are subject to more stringent requirements regarding transactions in shares of group companies and these are set out in the Code for Securities Transactions – Insider Dealing Rules (see Appendix H).

The unauthorised appropriation of goods and services belonging to any STC Group entity for personal use or resale and the unauthorised use of the Group's assets for personal benefit are strictly prohibited. Relevant Persons should not alter equipment or facilities or install software without specific authorisation or develop their own applications without management approval. Security precautions should be exercised when using personal computers, and all computer software should be used in strict compliance with the laws of copyright.

## 10. Conflicts of Interest

A conflict of interest arises where a person's private interests interfere with the proper discharge of their official duties. The STC Group is committed to conducting its businesses without conflicts of interest and this Code requires all Relevant Persons to avoid any situation which may lead to an actual or perceived conflict of interest.

Set out below is a non-exhaustive list of circumstances that would potentially give rise to a conflict of interest:

- Working for a non-STC company or non-affiliated organization whilst being employed by STC.
- Becoming a member of a board of any non-affiliated commercial, financial or industrial organisation.
- A Relevant Person or a Connected Person negotiating or transacting business with STC (other than employment contracts or retail purchases of STC Group products).
- Having an interest in a company (other than as a holder of securities in a company whose securities are listed on any stock exchange) which either competes with or has business dealings with the STC Group.

Reference: 1.03 Conflict of Interest Procedure

## 11. Political Non-Alignment

STC, as a normal business activity will lobby Government Entities either directly or through trade associations to promote policies that encourage business and achieve workable legislation. STC is not, however, politically aligned and accordingly Relevant Persons in their official capacity should not offer direct or indirect support ("political contributions" – either in cash or in kind) to any specific political party, candidate or campaign. Examples of political contributions include:

- Sponsorship of events organised by or associated with any political party, politician or candidate for public office.
- Free or discounted use of STC's premises, services or products as an in kind donation.

## 12. Bribery

STC believes that conducting business with integrity is critical to continuing to develop the STC Group as a successful, sustainable and responsible business group. Corruption hinders economic, social and political development and progress.

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Breach of antibribery laws, wherever and however this takes place, is a serious offence and may expose STC to significant fines and other penalties, and individuals to imprisonment. Even the appearance of a breach of anti-corruption laws can cause very significant damage to STC's reputation.

STC's commitment to conducting its business with integrity and in accordance with appropriate ethical standards is a long established policy. Violations of the policy are a serious disciplinary offence. STC is committed to upholding its standards wherever it operates, with the intention that the countries and communities in which it does business should properly benefit from its operations.

It is STC's policy that all Relevant Persons should comply with the anti-bribery laws to which they are subject. This Code sets out the standards of behaviour expected from STC and the anti-bribery compliance procedures adopted by STC.

## I. Accepting Advantages

Relevant Persons should not solicit or accept any Advantages from any person or company having business dealings with STC (e.g. clients, suppliers, contractors). However, they are allowed to accept (but not solicit) the following gifts offered voluntarily:

- Advertising or promotional gifts of a nominal value; or
- Gifts given on festive or special occasions subject to a maximum limit of K300

Any Advantage or gift accepted by a Relevant Person should be in accordance with STC's procedures for "Acceptance of Gifts or Advantages" described in Appendix A.

Relevant Persons should decline an offer of a gift if acceptance of it could affect the Relevant Person's objectivity, or induce the Relevant Person to act against STC's interests, or lead to questions of bias or impropriety.

## II. Offering Advantages

Under no circumstances may a Relevant Person offer an Advantage to any person or company having business dealings with STC for the purpose of influencing such person or company in any business dealings. Relevant Persons should also exercise good judgment and practice moderation in giving gifts. Excessive gifts in terms of value or frequency should not be offered to potential or existing customers. Gifts bearing a STC logo are preferred. Any offer of advantage or gift given in the conduct of the STC's business should be in accordance with STC's procedures for "Offer of Gifts or Advantages" (Appendix B).

## III. Observing local laws when working in another jurisdiction

Sections I and II above apply whether the solicitation, acceptance and offering of Advantages are within or outside Papua New Guinea. Any Relevant Person who conducts business on behalf of STC in another jurisdiction must abide by the laws of that jurisdiction, including laws and regulations on anti-corruption, and all other laws and regulations pertaining to ethical business conduct.

## IV. Payments to Government Officials

It is strictly prohibited to offer an advantage to any Government Official with the intent of gaining business or requesting for an advantage for STC. Prohibited advantages should not be made directly, through a Relevant Person's own personal involvement, or indirectly, for example by authorising or allowing a third party to provide a prohibited advantage on behalf of STC.

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Any request for an advantage by any Government Official in relation to gaining business or a business advantage for STC must be refused and promptly reported to an appropriate director or officer of STC.

V. Charitable contributions and sponsorship

Use of STC's resources to make or solicit contributions to charitable organisations or other organisations, if done in accordance with applicable laws and regulations, is appropriate. Nevertheless, care must be taken to ensure that such activities do not create, or appear to create, an improper Advantage covered by this Code. Relevant Persons must comply with procedures for "Charitable Contributions and Sponsorship" (Appendix C) for contributions or solicitations of contributions by STC to charities or other organisations.

VI. Entertainment and Corporate Hospitality

Although entertainment is an acceptable form of business and social behaviour, Relevant Persons should not accept lavish or frequent entertainment from persons with whom STC has business dealings if, by doing so, it might be perceived that they are placing themselves in a position of obligation to the offeror. When giving entertainment, company functions are preferable to entertaining a group of individuals, but it is recognized that in some situations individual lunch or dinner is normal.

Relevant Persons should be particularly vigilant concerning entertainment offered to them overseas and turn down invitations to meals or entertainment that are excessive in nature or frequency. It should be noted that any free trips or travelling expenses are considered as advantages. Without the prior consent of STC, acceptance of these advantages is strictly prohibited. Relevant Persons should follow the procedures for "Entertainment and Corporate Hospitality" (Appendix D).

VII. Travel Expenses

Travel expenses incurred on behalf of a person or company (including a Government Official or a Government Entity) that are directly related to promoting, demonstrating, explaining, or certifying STC's products or services, or to executing or performing a contract with STC, may be proper. In practice, for purposes of promoting, demonstrating or explaining its services, STC may occasionally invite a person or company (including a Government Official) to travel to its facilities, offices and exhibits for plant tours, product demonstrations or business meetings at STC's expense. STC may reimburse such persons or organisations for reasonable and bona fide expenditures directly related to any such purpose, such as travel or lodging expenses. Reimbursed travel expenses may include the reasonable cost of such person or organisation's transportation, meals, lodging and entertainment.

VIII. Agents and Consultants

No individual or entity may be hired to commit bribery on behalf of STC. Relevant Persons should take steps to ensure that agents or consultants fully comply with the applicable anti-corruption laws to which they are subject and to appropriately encourage them to adhere to the general principles as set out in this Code. Terms of engagement of agents and consultants should be clearly documented and duly approved, whilst performance of agents and consultants should be monitored. The Relevant Person should follow the procedures for "Engaging an Agent or a Consultant" (Appendix E).

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No consultants or agent should be proposed for consideration if there are suspicious circumstances that are not satisfactorily resolved. For example, that party:

- Has a reputation for corruption;
- Is likely to make improper payments or gifts;
- Requests that his/her identity be kept secret; or
- Requests (without a reasonable commercial justification) that he or she be paid offshore, up front or in cash.

## IX. Joint Venture Partners and Contractors

STC may be held responsible for the conduct of those whom STC hires to conduct business on its behalf or with whom STC joins to conduct business. Relevant Persons should ensure that these entities understand this Code and should comply with the procedures for “Joint Venture Partners and Contractors” (Appendix F).

Relevant Persons are required to take all reasonable steps to ensure that joint venture partners, contractors or any other individuals or companies hired to conduct business on behalf of STC and over which STC has direct control develop and implement anti-corruption policies consistent with the general principles of this Code. All such individuals or companies over which STC does not have direct control should be required contractually (and where not legally possible be appropriately encouraged) to adhere to the general principles set out in this Code.

## X. Loans

Relevant Persons and Connected Persons should not grant or guarantee a loan to, or accept a loan from or through the assistance of, any individual or organisation having business dealings with STC. For instance, a conflict of interest arises when a supplier acts as a guarantor on a bank loan for an employee. There is, however no restriction on normal bank lending made on normal commercial terms.

## XI. Training/Briefing

All Relevant Persons should attend anti-bribery training at least once every two years.

## 13. Competition and Anti-trust

STC is committed to complying with all applicable competition and antitrust laws. Relevant Persons should acquaint themselves and comply with the applicable competition laws to which their businesses are subject. These are laws that aim to protect competition by prohibiting anti-competitive behaviour. Breach of competition laws is a serious offence and may expose STC to severe penalties and other sanctions, and individuals to imprisonment.

Set out below is a non-exhaustive list of anti-competitive behaviour which would potentially amount to an infringement of competition laws:

- Participating in price fixing, collective boycotts or market sharing arrangements.
- Exchanging competitively sensitive information with competitors.
- Imposing restrictions on customers or suppliers.
- Abusing a position of market dominance.

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## 14. Outside Employment

Relevant Persons (except for non-executive directors) who wish to take concurrent paid employment, either on a regular or consulting basis must seek the prior written approval of the Managing Director before accepting the employment.

## 15. Environment, Health, and Safety

STC is committed to conducting its business in a manner which fosters the sustainable use of the earth's resources, minimises as far as commercially practicable any adverse impact on the environment, and protects in so far as is reasonably practicable the health and safety of its employees, customers, business associates, community neighbours and the general public.

## 16. Respect in the Workplace

STC is committed to providing an inclusive work culture and appreciates and recognises that all people are unique and valuable and should be respected for their individual abilities. STC will not tolerate harassment or discrimination on the basis of gender, religion, race, nationality or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, family status, age or political opinion. This Code requires all Relevant Persons to behave with courtesy and respect towards everyone encountered in the course of business.

This Code promotes the following principles:

- Upholding all applicable legal and corporate occupational health and safety standards
- Not permitting any breaches of employment law or the use of child or forced labour
- Reporting unacceptable conduct to line management or the business unit head
- Not condoning bullying and harassment
- Complying with any legal requirements concerning the collection, holding, processing, disclosure and use of personal data
- Respecting intellectual property rights, including copyright, belonging to others
- Not tolerating gender, diversity bias or discrimination.

## 17. Use of Social Media

Relevant Persons should not use any social media tools in any way which will bring STC into disrepute, disclose confidential information, interfere with the privacy of colleagues or those with whom STC does business, imply STC's endorsement of personal views or breach any applicable laws or regulations.

## 18. Compliance with the Code

Relevant Persons should not seek to avoid these provisions by using agents, partners, contractors, family members or parties acting on their behalf.

Anyone who is in breach of the Code will be subject to disciplinary action, which may include termination of employment. In cases of suspected corruption or other criminal offences, reports will be provided to the relevant authorities, as considered appropriate.

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## 19. Whistleblowing

All Relevant Persons have a responsibility to raise concerns about potential violations of the Code, including possible improprieties in financial reporting and internal controls. Any such concerns should be raised in the first instance by staff with their immediate superior and if no satisfaction is gained then with the head of the department or to STC Internal Audit (stcia@steamships.com.pg). If a substantive complaint is received, an impartial and prompt investigation will be held. If the issue still remains unresolved, it will be raised to the head of the relevant business unit. Any material concerns raised through the head of the relevant business unit will be reported to the audit committee which will ensure that appropriate investigative steps are taken. All information received will be kept confidential.

Reference:

1.02 Whistleblowing Procedure

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## 20. Appendices

### Appendix A

#### Acceptance of Gifts or Advantages

##### Control Guideline

Relevant Persons should not solicit or accept any advantages from any person or company having business dealings with STC (e.g. client, suppliers, and contractors).

However, they are allowed to accept (but not solicit) the following gifts offered voluntarily

- Advertising or promotional gifts of a nominal value; or
- Gifts given on festive or special occasions subject to a maximum value of K300.

Any amount above this level should be discussed with the Managing Director.

##### Procedures

1. All gifts (except advertising or promotional gifts of a nominal value) which are offered voluntarily to Relevant Persons should be declared by the Relevant Person and acknowledged or approved by his/her immediate supervisor/department head, and the Human Resources Department.
2. In the declaration, staff members have to indicate the receiving date, name of senders and also how the gifts are handled,  
e.g. accepted by staff, sharing with team members or donated as lucky draw items in annual dinners

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## Appendix B

### Offer of Gifts or Advantages

#### Control Guideline

Under no circumstances may a Relevant Person offer an Advantage to any person, including government officials, or company having business dealings with STC for the purpose of influencing such person or company in any business dealings.

Relevant Persons should exercise good judgment and practice moderation in giving gifts.

Excessive gifts in terms of value or frequency should not be offered to potential or existing customers.

Where appropriate, gifts bearing the STC's Group logo are preferred.

#### Procedures

For gifts offered to speakers or facilitators of training/briefing seminars/talks which are given on a complimentary basis, corporate items should be requested/used with clear information on the purpose of the request and name of the receiver & his/her company.

1. For offer of gifts/advantages, Relevant Persons should get proper approval from Head of Divisions/Operating Companies. Prior approval by a Director should be obtained for offer of gifts/advantages with value exceeding K300 or equivalent.
2. The Relevant Person should file claim with sufficient supporting details, including date, purpose, name of recipient, description and value of gift, etc.
3. Finance department should produce a quarterly report on "Offer of Gifts or Advantages" with value exceeding K300 or equivalent for review by Finance Director.

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## Appendix C

### Charitable Contributions and Sponsorship

#### Control Guideline

Relevant Persons should ensure that any contributions or sponsorship are made in accordance with normal corporate practices and that such recipients are appropriate in the context of our business and corporate values.

#### Procedures for Charitable Contributions & Sponsorships

1. Charitable contributions and sponsorships are only given to recognised charitable bodies with a strong track record of delivering value to the community / the environment.
2. All such contributions and sponsorships by STC to the charitable body should be authorised by General Manager level or above. The initiators should obtain approval with sufficient supporting details including date, purpose and amount, etc.
3. Such contributions and sponsorships as are offered are managed by and accounted for in the STC budget by the Finance Department.

#### Procedures for Commercial Sponsorships

1. Commercial contributions and sponsorships are only given to recognised legal entities with a strong track record of providing the appropriate level and type of exposure for corporate sponsors in return for the sponsorship.
2. All such contributions and sponsorships by STC should be authorised by General Manager level or above. The initiators should obtain approval with sufficient supporting details including date, purpose and amount, etc.
3. Such contributions and sponsorships as are offered are managed by and accounted for in the STC budget by the relevant corporate department.

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## Appendix D

### Entertainment and Corporate Hospitality

#### Control Guideline

Relevant Persons should be particularly vigilant in offering or being offered entertainment and turn down invitations to meals or entertainment that are excessive in nature or frequency.

#### Procedures on Entertainment

1. When staff need to entertain or pay for meals for customers or business associates, they are expected to use their judgment to determine whether the kind of entertainment is appropriate and expenses incurred are reasonable. Factors like Company image, local customs, etc. should always be considered.
2. If several staff are present at the same event, the staff of the most senior level should pay and file an expense claim to be approved by his/her manager followed by the Head of Department or General Manager.

#### Procedures on Corporate Hospitality

Corporate hospitality events are arranged by the relevant departments from time to time to recognise the support given to STC by our tenants, business partners& journalists/media representatives and to build relationships with them.

1. Larger events will be separately budgeted; smaller events may be covered under departmental entertainment budget. Approval for the payment of such events must follow STC payment approval matrix.
2. Corporate hospitality events should generally involve either gifts of low/nominal value or small items of low value from the STC merchandise catalogue.

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## Appendix E

### Engaging an Agent or a Consultant

#### Control guideline

Relevant Persons should take all reasonable steps to ensure that agents or consultants who are engaged fully comply with applicable anti-corruption laws to which they are subject.

#### Procedures

1. As practicable as possible, invite 2-3 potential service providers to submit proposals/quotations.
2. Meet with potential service providers and clearly communicate the STC Supplier Code of Conduct and operating principles prior to engaging them. The service providers will need to complete and sign a questionnaire so as to ensure their compliance to the STC Supplier Code of Conduct.
3. Review their "Terms of Service" and check their current and former client references.
4. Whenever possible, a reasonable assessment of the background of service providers should be carried out, including industry experience, credit check and history of its legal proceedings.
5. Obtain approval from the designated management personnel when the suitable service provider is selected before signing contract.
6. Direct appointments may be necessary in special circumstances and in such cases, prior written approval from the relevant department head or General Manager should be obtained.

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## Appendix F

### Joint Venture Partners and Contractors

#### Control Guideline

Relevant Persons are required to take reasonable steps to ensure that any joint venture partners, contractors, or any other individuals or companies hired to conduct business on behalf of STC and over which STC has direct control develop and implement anti-corruption policies consistent with the general principles of this Code, or at least comply with relevant local laws.

#### Procedures for selecting joint venture partners and contractors

1. All Relevant persons are required to inform joint venture partners and contractors of STC Code of Conduct where practicable.
2. Before engaging new joint venture partners and contractors, a reasonable due diligence should be carried out on their track record, financial status and history of legal proceedings. .
3. Any new joint venture partners and contractors are requested to confirm they will comply with applicable anti-corruption laws to which they are subject.

#### Additional procedures for selecting contractors

1. All Relevant Persons will prepare the pre-determined specifications/requirements/scope of services for the products/services required.
2. Invite for tenders from contractors should be made as appropriate. Exceptions should be duly approved by the Managing Director and documented.
3. Tenderers are evaluated based on their capability, financial strength, company structure and reputation.
4. Additional due diligence is performed by checking their current and former client references, as well as relevant work permits and licenses where applicable.
5. Meet with tenderers and clearly communicate on the STC Supplier Code of Conduct (Appendix G) and operating principles prior to engaging them.
6. Contract will be awarded to the tenderer which offers the best value for money, complies with STC Supplier Code of Conduct, and meets our service standard.

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## Appendix G

### Code for Securities Transactions – Insider Dealing Rules

#### Control Guideline - Summary

Relevant persons should ensure that they abide by any local legislation/code on securities transactions/insider dealing and as a minimum should comply with the following rules:-

1. Do not deal in shares of STC when you are aware of price sensitive information.
2. Do not deal during closed seasons or the “black out period”.
3. At times when you can deal the following procedure will apply:-
  - a) You should notify the Company Secretary of a proposed deal.
  - b) The Secretary will acknowledge the notification and only then you can actually deal in the shares.
  - c) Once a deal is completed you should write to the Secretary giving details of the transaction.
4. You should not release any unannounced information which could be said to be ‘price sensitive’ at private meetings (one to one or otherwise) or in circumstances that do not amount to general publication.

For the avoidance of doubt, any transfer of shares will be regarded as a deal, including off-market transactions.

#### Basic Principles

1. Relevant Persons must seek to secure that all dealings in which he/she is or is deemed to be interested be conducted in accordance with this code.
2. Relevant Persons wishing to deal in any securities in STC must first have regard to the provisions of the local securities trading ordinances with respect to insider dealing and market misconduct. A person found guilty of insider dealing is liable to personal fines and imprisonment. However, there are occasions where Relevant Persons should not be free to deal in STC securities even though the statutory requirements will not be contravened.
3. The single most important thrust of this code is that Relevant Persons who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions or connected transactions (under the local listing rules) or any price-sensitive information must refrain from dealing in STC securities as soon as they become aware of them or privy to them until proper disclosure of the information in accordance with listing rules.
4. In addition, a Relevant Person must not make any unauthorised disclosure of confidential information, whether to co-trustees or to any other person (even those to whom he/she owes a fiduciary duty) or make any use of such information for the advantage of himself or others.

#### Interpretation

5. For the purpose of this code:
  - a. References to dealings in securities include dealings in warrants (including covered warrants issued by third parties and short positions) issued in respect of the securities. For the avoidance of doubt, any transfer of shares will be regarded as a deal including off-market transactions;

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- b. “Dealing” includes, subject to paragraph (f) below, any acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of STC or any entity whose assets solely or substantially comprise securities of STC, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of the STC, in each case whether or not for consideration and any agreements to do any of the foregoing, and “deal” shall be construed accordingly;
  - c. “Beneficiary” includes any discretionary object of a discretionary trust (where the Relevant Person is aware of the arrangement) and any beneficiary of a non-discretionary trust;
  - d. “Securities” means listed securities and any unlisted securities that are convertible or exchangeable into listed securities and structured products (including derivative warrants issued by a third party) issued in respect of the listed securities of STC;
  - e. Notwithstanding the definition of “dealing” in paragraph (c) above, the following dealings are not subject to the provisions of this code:
    - i. Taking up of entitlements under a rights issue, bonus issue, capitalisation issue or other offer made by STC to holders of its securities (including an offer of shares in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a “dealing”;
    - ii. allowing entitlements to lapse under a rights issue or other offer made by the STC to holders of its securities (including an offer of shares in lieu of a cash dividend);
    - iii. undertakings to accept, or the acceptance of, a general offer for shares in the STC made to shareholders other than those that are concert parties (as defined under the takeovers codes) of the offer or;
    - iv. exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into with STC before a period during dealing is prohibited under this code at the pre-determined exercise price, being a fixed monetary amount determined at the time of grant of the share option or warrant or acceptance of an offer for shares;
    - v. dealing where the beneficial interest or interests in the relevant security of the listed issuer do not change;
    - vi. dealing where a shareholder places out his/her existing shares in a “top-up” placing where the number of new shares subscribed by him pursuant to an irrevocable, binding obligation equals the number of existing shares placed out and the subscription price (after expenses) is the same as the price at which the existing shares were placed out; and
    - vii. dealing where the beneficial ownership is transferred from another party by operation of law.
6. For the purpose of this code, the grant to a Relevant Person of an option to subscribe or purchase STC securities shall be regarded as a dealing by him/her, if the price at which such option may be exercised is fixed at the time of such grant. If, however, an option is granted to a Relevant Person on terms whereby the price at which such option may be exercised is to be fixed at the time of exercise, the dealing is to be regarded as taking place at the time of exercise.

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## Rules

### A.

#### Absolute prohibitions

1. A Relevant Person must not deal in any of the securities of STC at any time when he/she is in possession of unpublished price sensitive information in relation to those securities.
2. A Relevant Person must not deal in the securities of a listed issuer when by virtue of his/her position as a director or Relevant Person of another listed issuer, he/she is in possession of unpublished price sensitive information in relation to those securities.
3. During the period of 60 days immediately preceding the publication date of the annual results, or 30 days immediately preceding the publication date of quarterly results (if any) and half-year results, and ending on the date of the corresponding results announcement (whether or not the announcement is required under listing rules), a Relevant Person must not deal in any securities of STC unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C below.
4. Where a Relevant Person is a sole trustee, the provisions of this code will apply to all dealings of the trust as if he/she were dealing on his/her own account (unless the Relevant Person is a bare trustee and neither he/she nor any of his/her associates is a beneficiary of the trust, in which case the provisions of this code will not apply).
5. Where a Relevant Person deals in the securities of a listed issuer in his/her capacity as a co-trustee and he/she has not participated in or influenced the decision to deal in the securities and is not, and none of his/her associates is, a beneficiary of the trust, dealings by the trust will not be regarded as his/her dealings.
6. The restrictions on dealings by a Relevant Person contained in this code will be regarded as equally applicable to any dealings by the Relevant Person's spouse or by or on behalf of any minor child (natural or adopted) and any other dealings in which he/she is or is to be treated as interested. It is the duty of the Relevant Person, therefore, to seek to avoid any such dealing at a time when he/she him/herself is not free to deal.
7. When a Relevant Person places investment funds comprising securities of the Company under professional management, discretionary or otherwise, the managers must nonetheless be made subject to the same restrictions and procedures as the Relevant Person him/herself in respect of any proposed dealings in the Company's securities.

### B.

#### Notification

8. A Relevant Person must not deal in any securities of STC during the black-out period. If he/she must deal during this period in the exceptional circumstances referred to in rule A.3, he/she must first notify in writing the Chairman of the Company and receive a dated written acknowledgement.
9. A written record is maintained by the Company Secretary that the appropriate notification was given and acknowledged pursuant to rule B.8 of this Code.
10. After a Relevant Person has dealt in the securities of the Company, he/she should advise the Company Secretary to update the record of Relevant Persons' interests in such securities.
11. Any Relevant Person who acts as trustee of a trust must ensure that his/her co-trustees are aware of the identity of any company to the securities of which this code applies so as to enable them to anticipate possible difficulties. A

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Relevant Person having funds under management must likewise advise the investment manager.

C. Exceptional circumstances

12. If a Relevant Person proposes to sell or otherwise dispose of securities of STC under exceptional circumstances where the sale or disposal is otherwise prohibited under this code, the Relevant Person must, in addition to complying with the other provisions of this code, comply with the provisions of rule B.8 of this code regarding prior notice written notice and acknowledgement. The Relevant Person must satisfy the Chairman that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the Relevant Person before the Relevant Person can sell or dispose of the securities. An example of the type of circumstances which may be considered exceptional for such purposes would be a pressing financial commitment on the part of the Relevant Person that cannot otherwise be satisfied.

.....  
**Rupert Bray**  
**Managing Director**  
**Steamships Trading Company**

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