

exceeding limits

INTRODUCTION TO
**OUR COMPLIANCE
PROGRAM**

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SAMSUNG ENGINEERING



**We strive to be
a company trusted and respected
by our clients and society.**

Since its establishment in 1970, Samsung Engineering has been providing optimal solutions globally in all fields of plant engineering from business analysis and project financing to engineering, procurement, construction, pre-commissioning and operation and management.

Samsung Engineering complies with all applicable laws and regulations in all jurisdictions in which it conducts business. Further, Samsung Engineering competes openly and fairly with competitors.

Under its business principle of “We comply with laws and ethical standards,” Samsung Engineering established the Compliance Program. The Compliance Program is comprehensive and systematic supporting system which allows for autonomous compliance with laws and regulations. By operating the Compliance Program, Samsung Engineering ensures that its employees comply with all applicable laws and regulations when carrying out day-to-day business and that they abide by internal ethical standards.

Samsung Engineering will continuously strengthen its compliance and ethical management system, and through endless creativity and innovation, Samsung Engineering will strive to be a company that customers can entrust their needs, that shareholders desire to invest in for long-term, and that business partners want to grow together.

Choongheum Park,
President and CEO

Guiding Principles

Under the Samsung philosophy of “we will devote our human resources and technology to create superior products and services thereby contributing to a better global society,” Samsung adopted a set of values and business principles. In line with Samsung Values and Business Principles, we at Samsung Engineering established our Code of Ethics aimed at promoting fair and transparent management practices.

Samsung Values and Samsung Business Principles, together with our Code of Ethics, are the foundation upon which we established fundamental policies and a comprehensive compliance program.

Samsung Values



Samsung Business Principles

- PRINCIPLE 01 We comply with laws and ethical standards
- PRINCIPLE 02 We maintain a clean organizational culture
- PRINCIPLE 03 We respect customers, shareholders and employees
- PRINCIPLE 04 We care for the environment, health and safety
- PRINCIPLE 05 We are a socially responsible corporate citizen

Samsung Engineering Code of Ethics

- We, as Samsung men and women of honesty and integrity, respect each other, and fulfill our mission through the observance of basics and principles.
- We comply with rules and regulations and respect business ethics, and engage in free and fair competition on technology and cost excellence.
- We offer fair and equal opportunities for all contractors meeting certain qualifications, and seek for win-win partnership by building clean and transparent business environment and fair and equal trade order.
- We always respect and understand our customers’ view and need from their perspective, and provide the best quality goods and service satisfying our customers.
- We recognize that clean environment is the best asset we can pass on to the next generation, and are committed to creating wealth of the nation and the development of mankind by engaging in environmentally-friendly businesses.

Detailed explanation of each of Samsung Business Principles and our Code of Ethics can be found at [Samsung Engineering homepage](#).

Fundamental Policies

We strive to always act in accordance with all applicable laws, regulations and our internal standards. In particular, we focus on the following areas as they are crucial responsibilities in conducting our business. These fundamental policies provide the ethical and legal framework within which we aspire to maintain sustainable business.

— Anti-Bribery

We prohibit all forms of bribery.

Samsung Engineering understands that only clean business is sustainable business and that corruption undermines it. We are committed to complying with all applicable domestic and international anti-bribery laws, regulations and conventions, including the OECD, the Foreign Corrupt Practices Act and the Bribery Act 2010, that prohibit corrupt actions in obtaining or retaining business. Further, we contractually require our business partners to do the same.

We prohibit all forms of bribery whether in the private or public sector. In particular, we prohibit offering, promising, giving or authorizing others to give anything of value, either directly or indirectly, to anyone in order to gain an unfair business advantage, such as obtaining or retaining business. We also prohibit receiving, or agreeing to receive, anything of value that result or may result in the improper performance of the duties of a Samsung Engineering employee.

— Gifts and Entertainment

We do not give or receive unlawful gifts.

Gifts and entertainment can foster goodwill in business relationships. However, care must be taken when exchanging incidental business courtesies to avoid a conflict of interest or the appearance of impropriety.

Samsung Engineering does not permit the exchange of gifts, entertainment or any form of bribery as an inducement to engage in unfair business practices. Our employees are not to offer, give or receive any gift or entertainment that could be construed as a kickback, bribe, payoff or violation of any law or our standard.

Our employees may only offer or approve business courtesies that are legal, proper and in full compliance with our policies and guidelines.

— Working with Business Partners

We observe objective criteria and focus on sustainable relationship.

Samsung Engineering's global businesses involve collaboration with many different business partners including clients, suppliers, subcontractors and consultants. We aim to ensure that all dealings with these business partners are based on objective assessment of their reliability and integrity and on the overall value of the partnership.

In order to prevent any occurrence or appearance of bribery and other unlawful practices, relations with business partners are guided by strict internal procedures. All third party intermediaries are selected following a due diligence process to ensure that Samsung Engineering and the business partner can establish a sustainable relationship.

We also expect our business partners to comply with all applicable laws and regulations. Among other things, we contractually require all subcontractors, suppliers and consultants to comply with certain obligations such as non-disclosure of confidential information and observance of anti-corruption laws and regulations.

— Fair Competition

We do not engage in anti-competitive behavior.

Many countries have laws prohibiting agreements or actions that may restrain trade or reduce competition. Some of these laws apply beyond national boundaries. While we need to stay competitive, our conduct must always be both legal and fair.

We are committed to conducting our business activities in compliance with the competition laws that apply to the jurisdiction in which we do business. Our employees are prohibited from participating in any agreement with competitors that have the intent or effect of price fixing, market or customer allocation, market sharing or bid rigging with competitors, or the abuse of a dominant position in the market.

To compete effectively, it is appropriate to obtain certain forms of competitively sensitive information. However, we are committed to doing so ethically, legally and responsibly. With the understanding that sometimes interactions with competitors in the same industry are inevitable, our internal compliance system provides a tool where employees can report any contact with competitors both prior and subsequent to such contact to ensure propriety.

— Information Protection

We protect confidential and material non-public information.

Samsung Engineering employees may have access to various types of proprietary or confidential information belonging to Samsung Engineering, its clients, suppliers or other third parties. We are committed to respecting protected information of ours as well as that of others.

Our employees who are in possession of confidential and proprietary information must keep such information confidential and use it only for authorized purposes in accordance with legal and contractual obligations.

The duty to maintain confidentiality extends beyond the termination of employment at Samsung Engineering.

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[Detailed guidelines and other related resources are available to Samsung Engineering employees on our intranet site.](#)

Compliance Program

An effective compliance program is essential in ensuring the proper conduct of Samsung Engineering's day-to-day business. Through Samsung Engineering's Compliance Program, we implement our fundamental policies and monitor our adherence to the policies.

— Compliance Program

Our Compliance Program is designed to integrate effective compliance elements, including frameworks, standards, processes, systems, tools, training and communications. It is a permanent initiative for the management of legal risks.

The Compliance Program ensures that our business practices comply with applicable laws, regulations and internal principles and rules, thereby preventing or minimizing risks and protecting our employees from such risks.

— Organizational Structure

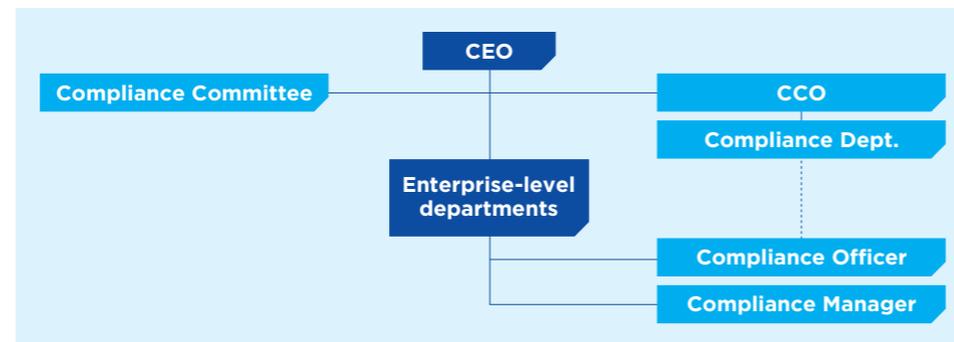
Samsung Engineering established an organization dedicated to legal governance to respond to strict external regulations and ensure our business activities are conducted in compliance with laws.

The Chief Compliance Officer ("CCO") is primarily responsible for supervising Samsung Engineering's compliance management practices and the Compliance Program. The CCO, who is appointed by the resolution of the company's board of directors, sets the standards for the company's

compliance policy and practices, and holds responsibility for awarding best practices and correcting violations.

The Compliance Committee is a consulting body for deliberating upon and resolving major matters regarding the company's compliance management policy and the operation of relevant structures.

The Compliance Department is responsible for planning and implementing compliance initiatives as well as supporting all facets of the Compliance Program and the CCO. Further, enterprise-level departments and business units have their own Compliance Officers and Compliance Managers in charge of relevant legal risk-related activities.



Engineering Compliance System

Samsung Engineering maintains Engineering Compliance System (“ECS”) to support employees to take part in various compliance activities.

ECS provides comprehensive information about the Compliance Program, including applicable laws and regulations, internal guidelines, Q&A’s, recent compliance trends and issues. Further, ECS serves as a mechanism through which our employees can request for targeted training sessions and report possible misconducts.

Guidelines

Based on Samsung Business Principles, our Code of Ethics, and in line with our fundamental policies, we established practical internal guidelines and processes to ensure the proper conduct of day-to-day business. These guidelines assist our employees in their decision-making with advice about handling business situations professionally, fairly and legally. The guidelines are available to our employees on Samsung Engineering’s intranet and are further disseminated via online and offline trainings conducted throughout the year.

Education and Training

All Samsung Engineering employees around the world continually receive compliance trainings both online and offline on various subjects including anti-corruption and fair competition. These trainings, which can be general as well as tailored for specific job functions such as marketing, procurement and construction, are intended to raise our employees’ awareness of compliance risks in conducting day-to-day business and to provide them with basic knowledge of compliance regulations.

Monitoring

Samsung Engineering established a compliance monitoring system that enables the Compliance Department to monitor Samsung Engineering employees’ compliance with all applicable laws and regulations as well as the company’s internal guidelines. The Compliance Department conducts audits that are scheduled and non-scheduled as well as general and targeted. The subjects of these audits include subsidiaries and construction sites both at home and abroad.

Consequences of Misconduct

Violation of laws, regulations and internal policies may have serious consequences for all parties involved. Therefore, under certain circumstances and to the extent permitted by law, any employee in violation of laws, regulations or internal policies will be subject to disciplinary measures. Samsung Engineering may also seek civil or criminal prosecution depending on the severity of the misconduct.

Reporting Misconduct

Raising a concern about compliance with law or internal policy protects the company, its integrity and other stakeholders. Our employees have the responsibility to report possible violations of law or policy so that the company can take appropriate action and remedy the situation.

There are several channels for reporting a possible misconduct, one of which is to report anonymously on the ECS. Reports are kept confidential to the extent permitted by law and the company’s need to fully investigate the matter. We will not tolerate retaliation for reports of misconduct made in good faith.

[Detailed information on our Compliance Program and other related resources are available to Samsung Engineering employees on our intranet site.](#)