

# ANTI-BRIBERY PROCEDURES: GOVERNMENT OFFICIALS

March 2019

REFERENCES: Working with Governments Policy, SABIC Code of Ethics

Issued by Legal Affairs

## 1. Introduction and Scope

(CAPITALIZED TERMS ARE DEFINED IN APPENDIX A)

Our policy on [Working with Governments](#) in the SABIC [Code of Ethics](#) requires that all business transactions with governments be based on lawful, ethical and fair practices. An important component of this policy is ensuring that Business Gifts are offered and Business Hospitality is offered and received in a manner that does not create an improper business advantage or even the appearance of one.

Bribery is illegal and can expose SABIC and its Employees to fines and other penalties, including imprisonment. The act of giving, receiving or assisting in the exchange of a bribe violates our values and Code of Ethics. Therefore, strict adherence to these Global Anti-Bribery Procedures ("Procedures") is required of all Employees.

As a global company, SABIC has adopted these Procedures to meet internationally accepted standards for Business Gifts and Hospitality for Government Officials, and to ensure that Business Gifts are offered to and Business Hospitality is offered to and accepted from Government Officials under appropriate circumstances and in an ethical and lawful manner. For Business Gifts and Hospitality involving non-Government Officials, please see [SABIC's Business Gifts and Hospitality Procedures: Private Sector](#).

**These Procedures provide the minimum standards that all SABIC Employees and Third Parties representing SABIC must observe when dealing with Government Officials.** Failure to comply with any provision of these Procedures or SABIC's Code of Ethics is a serious violation and may result in disciplinary action, potentially up to and including termination of employment. If you have questions regarding whether particular Business Gifts or Hospitality are permissible, consult your manager or Legal Affairs.

SABIC is committed to complying with all applicable laws wherever we do business. We all share a responsibility to comply with SABIC policies. Employees must immediately report any concern regarding compliance with these Procedures to their Manager, HR, Legal Affairs or a [Compliance Helpline Leader](#). As with all compliance matters, SABIC strictly prohibits retaliation of any kind against any person who raises a compliance concern or participates in any compliance-related investigation.

Remember, **YOU** are the guardian of our compliance culture and we count on you for your support!

## 2. Our Procedures

### 2.1 DO NOT BRIBE.

### 2.2 DO NOT GIVE OR OFFER TO GIVE a Government Official (either directly or through a Third Party) anything of value, including the following:

**2.2.1** Cash, cash equivalents (e.g., checks, vouchers, gift cards) or loans.

**2.2.2** Direct payment for travel. Do not make any payment directly to a government traveler. All payments for travel must be approved in advance by your Regional Chief Legal Counsel and paid directly to travel provider, such as the airline or hotel.

**2.2.3** A business opportunity or favor.

**2.2.4** Favors, employment (including consultancy agreements) or internships, including for family members or associates of the Government Official.

- 2.2.5** Any promise to give anything of value to obtain an improper advantage.
- 2.3** DO NOT ATTEMPT TO BRIBE or engage in conduct that could be construed as a bribe or payoff to a Government Official (either directly or through a Third Party).
- 2.3.1** Even if the offer is not accepted or does not produce the desired result, the attempt to bribe or improperly influence a Government Official is illegal and a violation of these Procedures.
- 2.3.2** The mere appearance of attempting to bribe or improperly influence a Government Official may embarrass SABIC, damage its or your reputation, require the payment of fines and expenses, and prohibit SABIC from doing business in certain countries.
- 2.4** DO NOT ACCEPT A BRIBE. Immediately report any improper offer or attempted bribe to your Manager and Regional Chief Legal Counsel.
- 2.5** DO NOT ACCEPT BUSINESS GIFTS FROM GOVERNMENT OFFICIALS. Employees are prohibited from accepting Business Gifts, except in limited circumstances. Please refer to the Business Gifts and Hospitality Procedures for additional information.
- 2.6** DO NOT MAKE OR AUTHORIZE FACILITATING PAYMENTS to attempt to get a Government Official to do their job more quickly or efficiently.
- 2.7** BUSINESS GIFTS AND HOSPITALITY TO GOVERNMENT OFFICIALS ARE HIGHLY REGULATED AND OFTEN PROHIBITED. DO NOT PROVIDE BUSINESS GIFTS OR HOSPITALITY TO A GOVERNMENT OFFICIAL UNLESS YOU HAVE WRITTEN APPROVAL FROM YOUR REGIONAL CHIEF LEGAL COUNSEL THAT THE GIFT OR HOSPITALITY IS PERMITTED BY LAW AND COMPANY POLICY. ONLY PROVIDE MODEST BUSINESS GIFTS OR HOSPITALITY WHEN EXPRESSLY PERMITTED by applicable law and in connection with a good faith promotion, demonstration or explanation of SABIC's products or services, or the execution or performance of a contract.
- 2.7.1** Even where legally permitted, all Business Gifts and Hospitality for Government Officials, including travel, lodging and meals, must be modest and reasonable in amount and must be approved in advance by your Regional Chief Counsel.
- 2.7.2** Do not provide a Government Official with a "per diem" payment or cash allowance in lieu of legally permitted Business Gifts or Hospitality. Per diems are not allowed to be provided to Government Officials.
- 2.7.3** For any expenditure in connection with a Government Official, retain the *original* receipts with itemized descriptions of the expenses incurred.
- 2.8** DO NOT MAKE A CHARITABLE CONTRIBUTION IN ORDER TO INFLUENCE A GOVERNMENT OFFICIAL. Please direct all requests for Charitable Contributions to Corporate Communications. All Charitable Contributions and Sponsorships must be given in accordance with SABIC's RAISE Policy. This Policy states that SABIC will not use its corporate social responsibility programs, including approved volunteer hours, for the purpose of favourably influencing the outcome of a business transaction, nor will it use its corporate social responsibility programs in a manner that may give the appearance of trying to favourably influence a business transaction.
- 2.9** LEARN THE DIFFERENCE BETWEEN A NOMINAL BUSINESS GIFT AND A BRIBE. (Recognize that even nominal gifts are prohibited by law in some locations and multiple nominal gifts given to the same individual could be seen as bribe.) A bribe is intended to cause a Government Official to:

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- 2.9.1 Grant a government contract or favorable terms on a government contract;
  - 2.9.2 Overlook a violation or tolerate non-compliance with relevant laws (e.g., environmental or worker safety laws);
  - 2.9.3 Expedite the provision of a service (e.g., issuing a permit more quickly);
  - 2.9.4 Fail to perform a task that should otherwise be performed (e.g., failing to conduct a required inspection prior to issuing a permit);
  - 2.9.5 Reduce statutory fines or duties (e.g., customs); or
  - 2.9.6 Grant favorable tax treatment.
- 2.10 SPECIAL CONSIDERATION FOR GOVERNMENT OFFICIALS ATTENDING SABIC-SPONSORED EVENTS. Payments for Business Hospitality (including travel and entertainment) for Government Officials to attend SABIC-Sponsored Events (such as Customer or Supplier events) may be appropriate in certain circumstances. All such payments must adhere to these Procedures, including:
- 2.10.1 All Business Hospitality offered to Government Officials in connection with a SABIC-Sponsored Event must be approved in writing and in advance by Regional Chief Legal Counsel.
  - 2.10.2 You must confirm that the laws in the country in which the Government Official is located, as well as any regulations or codes governing the Official's employment, permit private companies to provide the Business Hospitality (including the travel and entertainment expenses) being considered. If there is uncertainty on those points, consult Legal Affairs.
  - 2.10.3 Do not provide any Business Hospitality (e.g., travel or entertainment) if the Government Official is simultaneously considering a regulatory or other issue of concern to SABIC. Providing Business Hospitality should never be linked to the Government Official's doing something or not doing something desired by SABIC.
  - 2.10.4 Once travel arrangements have been made, have Legal Affairs summarize the arrangements in writing. In certain circumstances, Legal Affairs may provide the summary to someone within the particular government who is senior to the Government Official who will be receiving the Business Hospitality. The letter should ask the recipient to alert SABIC to any concerns regarding the arrangements proposed.
  - 2.10.5 Where it is permissible for a Government Official to attend a SABIC-Sponsored Event, the following guidelines must also be followed:
    - 2.10.5.a Expenditures are subject to approvals listed in Appendix B of the Business Gifts and Hospitality Procedures.
    - 2.10.5.b The primary purpose of the proposed Business Hospitality must be a legitimate business purpose – for example, to acquaint the Government Official (as a customer) with SABIC's products or services or some other aspects of SABIC's business operations.
      - Do not permit any entertainment events to become so prominent a part of the trip that they begin to overwhelm the trip's business purpose or are of such a nature that they could prompt a negative reaction if the entertainment were made public.

- The business purpose for the Business Hospitality must be supported by a detailed agenda that demonstrates that a substantial majority of the time at the event will be spent directly on business matters.

**2.10.5.c** Arrangements, including the venue, must be appropriate and proportionate in light of the primary business purpose. Nothing should be offered or given that would or could cause the Government Official to violate the duty to act in the best interest of an employer.

- “Adult” entertainment is strictly prohibited.
- No first-class travel is permitted without prior written approval based upon regional guidelines. Premium economy and business class airfares are permissible with prior written approval from your L2 and the Regional Chief Counsel.
- Accommodations should not be lavish. Five-star and resort hotels should not be used without prior written approval from your L2 leader and the Regional Chief Counsel.
- Do not attend starred restaurants or splashy sporting events without prior written approval from your line L2 leader and the Regional Chief Counsel.

**2.10.5.d** SABIC will not pay for traveling companions – a family member or some other person whose presence is not linked to the business purpose justifying the trip.

**2.10.5.e** SABIC will not arrange or pay for extra trips surrounding the event.

**2.10.5.f** Never provide a per diem or cash payment to any Government Official.

**2.10.5.g** SABIC should pay the travel provider rather than the Government Official. If that is not possible, the Government Official must provide original receipts for travel.

**2.10.5.h** All other applicable SABIC, regional and/or business specific approval and related policies must be followed (e.g., MAS, coordination with Events Department, Shared Services, etc.).

**2.11** THERE MAY BE CIRCUMSTANCES WHERE A PAYMENT IS DEMANDED UNDER THREAT OF BODILY HARM OR INJURY. If employees face extortionate demands from police, bureaucrats, and regulators who threaten to hold, expel, or even harm employees, resultant duress payments are only permitted if there is a serious and imminent threat to health or safety.

**2.12** ANY DURESS PAYMENTS MUST BE DISCLOSED TO YOUR REGIONAL CHIEF COUNSEL AS SOON AS POSSIBLE.

### 3. Our Responsibilities

**3.1** UNDERSTAND AND COMPLY WITH THESE PROCEDURES.

**3.2** REFER TO SABIC’S BUSINESS GIFTS AND HOSPITALITY PROCEDURES: PRIVATE SECTOR FOR GUIDANCE REGARDING APPROPRIATE GIFTS AND HOSPITALITY WHEN DEALING WITH PRIVATE PARTIES (INCLUDING THE PROHIBITION OF BRIBERY IN PRIVATE COMMERCIAL SETTINGS).

**3.3** OBTAIN WRITTEN APPROVAL FROM REGIONAL CHIEF COUNSEL PRIOR TO PROVIDING ANY BUSINESS GIFT OR HOSPITALITY TO A GOVERNMENT OFFICIAL, including travel, lodging and meal expenses in the course of legitimate business dealings with SABIC.

- 3.4 RECOGNIZE THAT YOU AND/OR SABIC COULD BE HELD PERSONALLY LIABLE IF A THIRD PARTY ACTING ON OUR BEHALF ENGAGES IN BRIBERY.
  - 3.4.1 Conduct appropriate due diligence checks on any Third Party expected to interact with a Government Official on behalf of SABIC (including Sales Agents, Distributors and any joint venture controlled by SABIC).
- 3.5 ENSURE THAT ALL CHARITABLE CONTRIBUTIONS ARE MADE ONLY UNDER APPROPRIATE CIRCUMSTANCES. Corporate Communications must approve any Charitable Contribution on behalf of SABIC.
- 3.6 DO NOT IGNORE "RED FLAGS" (SEE APPENDIX B). BRING ALL RED FLAGS TO THE ATTENTION OF LEGAL AFFAIRS.
  - 3.6.1 Take all reasonable steps to ensure that no Third Party acting on behalf of SABIC engages in any conduct contrary to these Procedures.
  - 3.6.2 Do not ignore red flags by turning a blind eye or not exercising appropriate due diligence.
  - 3.6.3 Seek advance approval from Legal Affairs when contracts provide for payment to someone other than the other contracting party or payments to a jurisdiction other than where the product or service is being provided.
  - 3.6.4 Do not hire a Government Intermediary without consulting your Regional Chief Counsel.
- 3.7 REQUIRE ALL PERSONS OR FIRMS REPRESENTING SABIC IN CONNECTION WITH GOVERNMENT- RELATED BUSINESS TO DO SO IN A MANNER CONSISTENT WITH THESE PROCEDURES.
- 3.8 NEVER RETALIATE AGAINST ANYONE FOR RAISING OR HELPING TO ADDRESS AN INTEGRITY OR COMPLIANCE CONCERN.
- 3.9 OBTAIN WRITTEN APPROVAL FROM YOUR REGIONAL CHIEF COUNSEL PRIOR TO ENGAGING AN INDIVIDUAL CONTRACTOR WHO IS A GOVERNMENT OFFICIAL. An individual contractor may only be engaged where:
  - 3.9.1 The engagement is for legitimate services, and is not undertaken for an improper purpose or advantage;
  - 3.9.2 The Individual Contractor is qualified to perform the services requested;
  - 3.9.3 The Individual Contractor has been selected through an objective and impartial merit-based process;
  - 3.9.4 The fees are reasonable under the circumstances;
  - 3.9.5 The arrangement is permitted under applicable laws;
  - 3.9.6 A written agreement exists which describes in detail the nature and extent of services to be provided and fees payable.

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## 4. Encountering Violations

Immediately contact Legal Affairs or the [Compliance Helpline](#) to assist you in assessing the facts if you encounter any of the following:

- 4.1 BRIBES REQUESTED BY A GOVERNMENT OFFICIAL.
- 4.2 BUSINESS GIFTS, OF EVEN A NOMINAL VALUE, REQUESTED BY A GOVERNMENT OFFICIAL.
- 4.3 SUGGESTIONS THAT THIRD PARTIES GIVE BUSINESS GIFTS OR BRIBES ON OUR BEHALF.
- 4.4 ATTEMPTS BY OTHERS TO BRIBE SABIC EMPLOYEES.
- 4.5 REQUESTS BY GOVERNMENT OFFICIALS FOR CONTRIBUTIONS TO A PARTICULAR CHARITY.
- 4.6 REQUESTS FOR EXPEDITING FEES.
- 4.7 UNUSUAL CHARGES, SUCH AS FOR A CUSTOMS BROKER ON A SUPPLIER INVOICE.
- 4.8 REQUESTS BY A GOVERNMENT OFFICIAL TO BE HIRED BY SABIC OR FOR SABIC TO HIRE THE OFFICIAL'S RELATIVE.

## 5. Questions and Answers

- Q. What if SABIC is building a plant in China and a local Government Official will not provide us with requisite building permits unless we pay him a premium?  
A. The official is requesting a Bribe. Do not pay the Government Official, even if he suggests that failure to do so will delay or impact the project. Contact Legal Affairs immediately.
- Q. If a container of our material is being held by Indian customs at a port in India, can our customer in India pay an Indian customs official personally in order to expedite the release?  
A. Do not authorize the customer to pay the official. SABIC can be held liable for acts of Bribery committed on our behalf.
- Q. A SABIC warehouse in Russia has been broken into repeatedly. May our warehouse manager pay the local police to provide enhanced protection?  
A. SABIC could pay in these circumstances (for overtime, for example) so long as the particular arrangement is cleared by senior police officials, is accounted for in an appropriate manner and is reasonable in amount relative to the service provided.
- Q. If SABIC is hosting a foreign government delegation as part of a technical exchange, do we need to get advance approval to provide the delegation with lunch in the cafeteria?  
A. Some countries have strict rules on all forms of Business Hospitality. Therefore, you should consult Legal Affairs before providing even a modest lunch to Government Officials. More elaborate Hospitality, either during working hours or after the meetings, would always require advance approval of the Regional Chief Counsel.
- Q. If a Government Official suggests that SABIC should make a donation to the construction of a local park in his

neighborhood, should SABIC do it?

- A.** Making a donation for the personal benefit of a Government Official could be perceived as trying to get the Government Official to act favourably toward SABIC. However, if a charitable donation is requested by a governmental body for the benefit of a community in which we operate, the donation may be acceptable. Consult Legal Affairs and Corporate Communications for approval.
- Q.** If a high-level official such as a Prince is visiting SABIC, may an EVP present an elegant gift that would be appropriate for a Prince?
- A.** In such a circumstance, the EVP should consult the General Counsel or Regional Chief Counsel to determine the best course of action. The answer will generally depend upon the laws of the country which the high-level official represents and the laws of the country where the gift would be presented.
- Q.** Will SABIC provide training on these Procedures?
- A.** Yes. SABIC is committed to providing employees with the requisite tools to combat Bribery and corruption. In order to do so, Legal Affairs will offer regular training on these Procedures. As with all compliance training, anti-bribery training will be offered through a variety of sources. If you are aware of a situation where there is an increased country, transaction, or Third-Party risk, contact Legal Counsel to arrange for specific training and instructions.
- Q.** How will SABIC ensure compliance with these Procedures?
- A.** As part of its regular audit cycle, Legal Affairs, the Corporate Audit Staff, and/or outside auditors will conduct testing and monitoring regarding adherence to the Procedures through, among other steps, a review of petty cash and other accounts to ensure appropriate controllership.
- Q.** Who do I talk to if I have additional questions?
- A.** If you have a question about these Procedures, speak with your Manager or a member of Legal Affairs before you act.
- Q.** What do I do if I suspect a violation of these Procedures?
- A.** Employees are responsible for complying with these Procedures and have an obligation to report suspected violations to their Manager, HR, Legal Affairs, and/or a [Compliance Helpline Leader](#). SABIC strictly prohibits retaliation of any kind against anyone for raising or helping to address an integrity or compliance concern.

## APPENDIX A

### Definitions

**Bribe** – Money or other valuable consideration offered, promised, given, paid, authorized or demanded to improperly influence a Government Official.

**Bribery** – Offering, promising, giving, paying, authorizing or demanding the exchange of anything value, whether directly or indirectly, in order to improperly influence a Government Official.

**Business Contact** – A Supplier, Customer, Agent, or Distributor, as described herein.

**Business Gifts** – Items given as part of the valid furthering of business interests. Examples of Business Gifts include, but are not limited to: fruit baskets, flowers, cookies, moon cakes, promotional items such as pens, mugs, or T-shirts, and tickets to events when not accompanied by a Third Party business representative.

**Business Hospitality** – Meals, lodging, travel and entertainment where the main purpose of the Business Hospitality is the valid furthering of business interests. Examples of Business Hospitality include, but are not limited to: meals surrounding business meetings, social events, sporting activities or events, airfare, car service, standard hotel rooms, and tickets to events when accompanied by a Third Party business representative.

**Charitable Contribution** – Anything of value (monetary or otherwise) given to a charitable organization; any public event sponsorship where a portion of the proceeds will be donated to a charitable organization; or any community development or similar program or expenditure.

**Contractor** – An individual or firm that is hired to work for SABIC at a SABIC facility.

**Customer** – A firm or individual that is a buyer or potential buyer of products or services from SABIC, including any employee or other representative or agent of such firm or individual.

**Duress Payment** – A payment made to a Government Official to avoid a serious and imminent threat to health or safety.

**Employee** – An individual employed by SABIC.

**Facilitating Payment** – Payment to a Government Official that is not required by law and is made for the purpose of expediting or facilitating governmental action or services.

**Government Intermediary** – Any person or entity that is engaged in any way to represent SABIC before a government ministry, authority, commission, agency or official, including any person who or entity that is retained to interact or may interact with a "Government Official" on behalf of SABIC.

### Government Official:

1. Any person, regardless of rank, who holds a legislative, executive, administrative or judicial office, whether appointed or elected, paid or unpaid, temporary or permanent, at the state/provincial or national level, including, for example, members of a legislature or parliament and other elected officials, police officers, fire- fighters, members of the military, tax authorities, and customs inspectors;
2. Any other person who performs a public function, including for a public agency or enterprise, or provides a public service;

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3. An official or employee of a public international organization, such as the United Nations, International Olympic Committee or the World Bank;
  4. An officer or employee of a political party or candidate for political office;
  5. A person acting in an official capacity or on behalf of a government or international organization, for example, an advisor to a government entity;
  6. Any other person defined as a public official under applicable domestic laws, for example, for purposes of bribery statutes, some countries include as government officials persons who are employed by companies in which the government has an ownership interest and companies carrying out banking operations;
  7. A family member (meaning a spouse/partner, son/daughter, father/mother, sister/brother, sister-in-law/brother-in-law or other household member) of any of the foregoing.

**Individual Contractor** – An individual who is engaged directly and in his or her personal capacity, and not through his or her employer (if any), such as a university, institution, or corporation in which the individual and/or a close family member is not the sole beneficial owner (individually or as a family). "Personal capacity" includes individuals who operate through a closely held corporate entity in which the Individual Contractor and/or a close family member are the sole beneficial owners (individually or as a family) and the services are provided only by the individual.

**RAISE Policy** – SABIC's approach to charitable donations, sponsorships, partnerships, and employee-volunteer programs. We use RAISE – Reputation, Audience, Innovation, Strategy, and Endurance – to select programs that elevate SABIC's brand, address community needs, and promote our values.

**SABIC** – Saudi Basic Industries Corporation and any entity – whether or not incorporated – that is directly or indirectly wholly owned by Saudi Basic Industries Corporation.

**SABIC-Sponsored Event** – Occasion hosted by SABIC for customers or other external stakeholders to showcase SABIC products, programmes or expertise.

**Sales Agent or Distributor** – A firm or individual that is appointed to represent, sell or distribute SABIC's products, including any employee or other representative of such Agent or Distributor.

**Supplier** – A firm, individual or contractor that is a seller or potential seller of goods or services to SABIC, including any employee or other representative of such firm, individual or contractor.

**Third Party** – A person or entity in the private sector that is not affiliated with SABIC, such as family members, friends, contractors, Suppliers, Customers, sales agents or distributors, consultants and partners in joint venture companies.

## APPENDIX B

## Anti-Bribery Red Flags

Legal Affairs should be consulted whenever any of the following Anti-Bribery Red Flags are identified. The existence of any of these situations alone may not constitute a violation of applicable anti-bribery laws, but should always trigger review by Legal Affairs.

Subject	Red Flag
Government Intermediary	Requests for cash payments rather than payment by check or by electronic transfer to a designated local bank account of a Government Intermediary.
Government Intermediary	Suggestions or indications of Facilitating Payments.
Government Intermediary	Multiple Government Intermediaries designated for same scope of work.
Government Intermediary	Requests for unusually large or excessive fees, commissions, or other payments to Government Intermediaries, including advance payments as well as payments that are increased if desired results are achieved ( <i>i.e.</i> , success fees). "Excessive payments" should be measured in part based on an evaluation of typical cost for type of services rendered.
Government Intermediary	Information gathered reveals Government Intermediary has reputation for unethical business activities.
Government Intermediary	Requests for reimbursement of expenses that are poorly documented or non-transparent.
Government Intermediary	Incomplete or inaccurate information provided in required disclosures by Government Intermediaries.
Government Intermediary	Government Intermediary refuses to provide anti-bribery and anti-corruption law compliance certification.
Government Intermediary	Government Intermediary lacks awareness of anti-bribery and anti-corruption laws or, if corporate organization, lacks effective anti-bribery compliance program.
Government Intermediary	Requests for payments to Third Parties or for payment in a country other than country where Government Intermediary is located.
Government Intermediary	Government Intermediary lacks facilities or qualified staff.
Government Intermediary	Government Intermediary uses companies with little or no assets.
Government Intermediary	Government Intermediary appears to have a lack of experience or "track record" with product, field or industry.
Government Intermediary	Government Intermediary refuses to sign written engagement agreement or agreement containing Anti-Bribery provisions similar to those contained in these Procedures.
Government Intermediary	Government Intermediary recommended by Government Official or Business Contact.
Government Intermediary	Reason to believe that there is, or may be, violation of local law or policy (e.g., prohibitions on commissions, currency or tax law violations) in arrangements proposed by Government Intermediary.
Government Intermediary	Actual payments made do not match contract terms.
Third Party	Third Party's internal controls not adequate to meet required SABIC standards.
Third Party	Third Party fails to comply with standards set in SABIC's Code of Ethics.

Subject	Red Flag
Third Party	Third Party fails to abide by appropriate delegations of authority or other notification and approval procedures.
Third Party	Responsibilities for requesting, authorizing, recording, controlling and reviewing payments are not properly segregated to ensure appropriate controllership.
Third Party	Failure to obtain sign-offs or opinions from applicable local outside auditors.
Government Officials	SABIC records, including Employee expense vouchers and corporate credit card reimbursements, indicate any of the following in connection with provision of Business Gifts or Hospitality to Government Officials: <ul style="list-style-type: none"> <li>- Lack of adequate or inconsistent supporting documentation;</li> <li>- Lack of proper advance approval;</li> <li>- Failure to follow recordkeeping procedures; or</li> <li>- Suspicious or illegitimate expenses.</li> </ul>
Government Officials	Requests by Government Official for per diem payment to cover his/her expenses.
Government Officials	Requests for reimbursement of Business Hospitality expenses to Government Official personally, instead of paying vendor directly for Official's approved expenses.
Government Officials	Evidence of double dipping (e.g., paying expenses and a per diem payment).
Government Officials	Business Hospitality requests for Government Official's family members or for matters unrelated to SABIC business.
General Audit or Financial Review	Evidence of possible off-book accounts or multiple accounting records.
General Audit or Financial Review	Evidence of failure of general ledger account reconciliations related to cash, A/P or purchasing, including failure to adequately trace bank statements to A/P ledger.
General Audit or Financial Review	References to facilitating or "grease" payments.
Accounts Payable	Review indicates any of the following: <ul style="list-style-type: none"> <li>- Improper recording of A/P liabilities or purchases;</li> <li>- Lack of invoices or receiving documents;</li> <li>- Activity not properly posted to general ledger or subsidiary ledger; or</li> <li>- Disbursements or purchases not recorded in proper period.</li> </ul>
Accounts Payable	Evidence indicates incorrect amounts recorded for A/P liabilities or purchases such as the following: <ul style="list-style-type: none"> <li>- Double invoicing;</li> <li>- Duplicate payments;</li> <li>- Incorrect amounts for payments;</li> <li>- Incorrect prices, rates, or quantities; or</li> <li>- Lack of adequate or inconsistent supporting documents.</li> </ul>
Cash Disbursements	Evidence indicates inadequate controls over cash disbursements or manual checks.
Cash Disbursements	Responsibility for cash, checks, and bank reconciliation improperly consolidated.
Cash Disbursements	Evidence of cash payments from other than established petty cash account.
Cash Disbursements	Lack of documentation for petty cash transactions.
Cash Disbursements	Excessive petty cash activity.
Cash Disbursements	Evidence of using petty cash for large expenditures.