

ANTI-BRIBERY
AND
ANTI-CORRUPTION
POLICY

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ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. Introduction

- 1.1 This Anti-Bribery and Anti-Corruption Policy is issued pursuant to subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009) (Act 694). This was stated in the MACC Amendment Act 2018. The guideline effective from 1 June 2020 is expected to prepare organizations for the future.
- 1.2 Section 17A (1) of the MACC (Amendment) Act 2018, addresses corporate liability for corruption where directors and senior management will be held personally liable for acts of corruption committed by the organization, either by personnel or parties acting on behalf the organization.
- 1.3 Edaran Berhad and its subsidiaries (the Group) have been committed in conducting the business ethically. The Group adopts a zero tolerance against all forms of bribery and corruption.
- 1.4 The Group already has in existence similar policies and procedures for non-corrupt practices, thus the management do not foresee any impact of this new requirement to the group, its directors or employees. These policies and procedures are stipulated in our Group Charter and other related Standard Operating Procedures such as the Group's No Gift Policy, Code of Conduct and Whistle Blowing Policy.
- 1.5 The philosophies of the Group Charter among others states that:
"We will be guided by ethics, values and principles in our dealings"
"We will pursue success through acceptable and justifiable means. We believe that both the ends and the means must be equally justify"
- 1.6 The Group's No Gift Policy had been developed additionally to demonstrate the Group commitment in treating all people and organizations with the highest standard of ethics and conduct. Employees are to practice and demonstrate equal treatment, unbiased professionalism and non-discriminatory actions in relation to all vendors, suppliers, customers, employees, potential employees, potential vendors or suppliers, and any other individual or organization.

1.7 In formalizing the new required guideline, the Anti-Bribery and Anti-Corruption Policy is established to strengthen and allow the Company to avoid any potential liability.

2. Objective

2.1 This policy is established to set out the responsibilities of all Directors and Employees in regards to observing and upholding the Group zero tolerance position on bribery and corruption.

2.2 This policy shall be read together with the Group Charter, No Gift Policy and other related internal policies and procedures.

3. Policy Coverage and Employee Responsibilities

3.1 This policy shall cover all Directors, Employees, vendors, suppliers, customers, potential employees, potential vendors and suppliers, or any other individual or organization.

3.2 All Employees are responsible to read, understand and comply with the information contained in the policy. It is published in the Company website and accessible for reference at all time.

3.3 The policy shall at all-time be adopted in the business activities. Violation of any provisions stated in the policy may result in disciplinary action including termination of employment.

3.4 Employees are responsible to report any suspected instances of corruption or attempted corruption in matters or dealings related with the Company to the Management.

4. Definition of Corruption¹

4.1 Corruption is the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description.

¹ What is Corruption as defined by Malaysian Anti-Corruption Commission





4.2 There are four (4) main offences stipulated in the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009)(Act 694): -

1. Soliciting/Receiving Gratification (Bribe) [section 16 & 17(a) MACC Act 2009]
2. Offering/Giving Gratification (Bribe) [section 17(b) MACC Act 2009]
3. Intending to Deceive (False Claim) [Section 18 MACC Act 2009]
4. Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [Section 23 MACC Act 2009]

5. Definition of Bribe

5.1 Bribery is the act of offering or receiving something of value in exchange for some kind of influence or action in return. It involves dishonestly persuading someone to act in your favour by giving a gift of money or another inducement.

5.2 As prescribed by Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009)(Act 694), bribes are in the form of payments or favours of:

-  Money
-  Bonus
-  Position
-  Discount
-  Reward
-  Wage
-  Vote
-  Services

5.3 Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and accept it, he/she is also breaking the law.

5.4 Employees must not engage in any form of bribery whether directly or indirectly.

5.5 Instead of the word “bribe,” the Malaysian Anti-Corruption Commission Act 2009 Act defines the word “gratification,” which includes both pecuniary and non-pecuniary bribes. Generally, gratification is defined as money, donation, gift, any valuable thing of any kind, any forbearance to demand any money or money’s worth or valuable thing, any other service or favour of any kind or any offer, undertaking or promise of any such gratifications.

6. What is Acceptable and NOT Acceptable

6.1 Gifts

6.1.1 The Group has established the following requirements in its No Gift Policy for employees to abide with:

6.1.1.1 No gifts of any kind, that are offered by vendors, suppliers, customers, potential employees, potential vendors and suppliers, or any other individual or organization, no matter the value, will be accepted by any employee, at any time, on or off the work premises.

6.1.1.2 No gifts of any kind, to be offered to vendors, suppliers, customers, potential employees, potential vendors and suppliers, or any other individual or organization, no matter the value, will be accepted by any employee, at any time, on or off the work premises.

6.1.2 Directors and Employees must not receive or give gifts to a third party whether it is made with or without the intention of influencing any parties to obtain and sustain businesses or to exchange for favours or benefits.

6.2 Corporate Hospitality and Entertainment

6.2.1 The policy established in this guideline does not prohibit normal business hospitality and entertainment. The Company accepts normal and appropriate gestures of hospitality and goodwill that meets the following requirements: -

1. It is in compliance with the law.
2. It is of an appropriate value, given at an appropriate time.
3. Not include cash or cash equivalent.
4. Given or received openly.
5. Not above a certain excessive value.

6.2.2 The Directors and Employees should be mindful in receiving and giving corporate hospitality and entertainment as the intention in the action should always be considered. Lavish or unreasonable hospitality or entertainment should not be accepted as it may be perceived as attempts by the Directors or Employees to receive or obtain favourable business for personal interest.

6.3 Facilitation Payments and Kickbacks

6.3.1 The Group will not accept or make any form of facilitation payments of any nature.

6.3.2 Kickbacks are illicit payments made to someone in return for facilitating a transaction or appointment. The Group prohibits kickbacks of any kind.

6.4 Political Contributions

The Group will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates.

6.5 Charitable Contributions

The Group accepts the act of donating to charities whether through knowledge, time, services or direct financial contributions.

7. Training and Communication

7.1 The policy will be communicated as part of the induction process for all new employees. Employees will also receive regular reminder to adhere and comply with the guideline.

7.2 The Group's zero tolerance attitude on the bribery and corruptions will be clearly communicated to all vendors, suppliers, customers, potential employees, potential vendors and suppliers, or any other individual or organization.

7.3 The Group is committed to provide relevant anti-bribery and anti-corruption training for Employees.

8. Record Keeping

8.1 The Group will keep detailed and accurate financial records and with appropriate internal controls in place.

9. Review and Monitoring

9.1 Periodic monitoring activities will be conducted to ensure proper implementation and enforcement of the policy.

10. Attachment

The followings are attached as part of the policy as reference documents.

- Group Charter
- Memorandum of No-Gift Policy
- Whistleblowing Policy
- Anti-Bribery and Anti-Corruption Compliance
- Code of Conduct