



PACIFIC & ORIENT BERHAD
(Registration No. 199401022687 (308366-H))
(Incorporated in Malaysia)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. Introduction

- 1.1 Pacific & Orient Berhad and its Group of Companies (“the Group”) have adopted a zero-tolerance approach to all forms of corruption and bribery. The Group is committed to conduct its business with the highest level of integrity and ethics and to comply with applicable laws, rules and regulations on anti-bribery and anti-corruption.
- 1.2 The Group’s Anti-Bribery and Anti-Corruption Policy (“Policy”) sets out the Group’s policies to prevent acts of bribery and corruption. This Policy should be read in conjunction with the following Group’s various policies, copies of which can be obtained from the Group’s website at www.pacific-orient.com:-
- a) Code of Ethics;
 - b) Corporate Disclosure Policy; and
 - c) Whistleblowing Policy;

as well as the Malaysian Anti-Corruption Commission Act, 2009 and its 2018 amendment (“MACC Act”) and any other local anti-bribery or anti-corruption laws that may be applicable.

2. Objective

- 2.1 This Policy sets out the Group’s overall position to prevent bribery and corruption practices in relation to its business activities in all forms and matters that might confront the Group in its day-to-day operations.

3. Scope

- 3.1 This Policy applies to all Directors and Employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, protégé pupils, seconded staff, casual workers, agency staff, volunteers, interns, agents, sponsors or persons associated with the Group, or any of the subsidiaries or their employees, no matter where they are located.

- 32 Any reference to “Employees” henceforth shall include all individuals directly contracted to the Group on an employment basis, including permanent and temporary employees and Directors.

For purposes of this Policy, an “Associated Person” shall refer to any individual or organisation who performs services for or on behalf of the Group. This may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisers, including their advisors, representatives and officials.

- 33 Each Employee shall uphold high levels of personal and professional values in all business interactions and decisions. The Policy establishes the boundaries on interactions with all parties together with the guidance on how to act when subject to potential acts of bribery and matters of corruption. Failure to comply with this Policy, whether or not intentional, may lead to disciplinary action (up to and including dismissal), and criminal liability for the individual involved (up to and including imprisonment under the provisions of the laws).
- 34 Employees will be required to confirm that they have read and understood the Policy and that they comply with its terms as part of their ongoing employment assessment processes. In addition, relevant Employees will be required to attend mandatory periodic training to support the guidance in this Policy.
- 35 No Employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behavior, even if such refusal may result in the Group losing business or experiencing delay in business operations.

4. Definition of Bribery and Corruption

- 4.1 Bribery and corruption can be defined as any action which would be considered as an offence of giving or receiving ‘gratification’ under the MACC Act.

- 4.2 “Gratification” as defined in the MACC Act means:-

- a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) any valuable consideration of any kind, any unlawful discount, commission, rebate, bonus, deduction or percentage;
- e) any forbearance to demand any money or money’s worth or valuable thing;
- f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and

- g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs a) to f).

43 Bribery and corruption can take many forms including the act of giving, offering, promising, providing, requesting/soliciting, accepting or agreeing to receive cash or other forms of financial assets or cash equivalents such as property, loan guarantee, or they can be any kind of advantage such as gift, entertainment, travelling benefits, accommodation or other services to an individual and/or their friends and family members - with an intention of inducing or rewarding someone to behave improperly or not to perform the functions correctly or in good faith.

5. Gifts, Entertainment and Hospitality

5.1 The Group accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of any gifts, entertainment or hospitality meets any of the following propositions or requirements:-

- a) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits (e.g. discounts, provision of free products or services and other provisions are not permitted in exchange for undue influence).
- b) It is given/received openly with proper declaration accepted by the Group's management, and not secretly or discreetly given/received.
- c) It is not offered to, or accepted from, a government official or representative or politician or political party, without the prior approval of the Group's management.
- d) It is given to external institutions or individuals in relation to official functions, events or celebrations, example commemorative gifts or door gifts or vouchers offered to attendees of events, such as annual general meetings.
- e) It is given to business associates for commemorative occasions (e.g. weddings, funeral, memorial services, festivals, etc.) for purposes of maintaining business relationships.
- f) It is given as sponsorships provided to corporations, groups or individuals in staging a sporting, artistic, cultural or social event, in return for advertisement of the Group's brand, logo or product.
- g) It is given as contributions to business associates to support events organised for the benefit of their employees, (e.g. trips, festive or annual dinners, etc.) as well as for events organised for the benefit of consumers and public at large, such as awareness campaigns, as well as sales campaigns organised by the business associates to promote and sell the Group's products.
- h) It is given to Employees and/or their family members in relation to an internally or externally recognised Group function, event or celebration, for example long service award and other Employee benefits.
- i) It is given as tokens of appreciation of nominal and reasonable value, typically bearing the logos of companies within the Group, which are given to members of the public, delegates or customers at the Group's promotional events, trainings or trade shows or as part of the Group's branding exercise, example t-shirts, pens, mugs, diaries, calendars, and similar items.

- 52 Where it is inappropriate to decline the offer of a gift (i.e. when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as it is declared to the company's Chief Executive Officer ("CEO"), who will assess the circumstances.
- 53 The Group recognises that the practice of giving and receiving business gifts varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each circumstances. Divisions/departments within the Group are encouraged to develop further guidelines cascading from this Policy to streamline threshold and develop specific requirements applicable to the respective countries/division/department.
- 54 As good practice, gifts given and received should always be disclosed to the company's CEO. Gifts received from suppliers should always be disclosed.
- 55 The intention behind a gift being given/received should always be considered. If there is any uncertainty, the advice of the company's CEO should be sought.

6. Facilitation Payments and Kickbacks

- 6.1 Facilitation payments are payments made to secure or expedite the performance by a person performing a routine or administrative duty or function that the person is obliged to perform without receiving such payments.

Kickbacks are a form of negotiated bribery in which a commission is paid to the bribe-taker in exchange for services rendered. Kickback varies from other kinds of bribes in that there is implied collusion between agents of the two parties, rather than one party extorting the bribe from the other. The purpose of a kickback is usually to encourage the other party to cooperate in an illegal scheme.

Both facilitation payments and kickbacks may not be in cash or other financial assets. It can be in any form of advantages with the intention to influence a person or a selected group of persons in their duties.

- 62 The Group does not accept and will not make any form of facilitation payments of any nature and adopts a strict stance that disallows facilitation payments.
- 63 The Group does not allow kickbacks to be made or accepted, which are typically made in exchange for a business favour or advantage.

7. Charitable Contributions and Donations

- 7.1 The Group allows charitable contributions or donations made or offered on behalf of the Group as long as they meet the following propositions or requirements:-
- a) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits (e.g. discounts, provision of free products or services and other provisions are not permitted in exchange for undue influence);
 - b) It is not to be used as conduit to fund illegal activities;
 - c) It is given directly to the relevant charity or organisation and not to an individual;
 - d) It is accurately reflected in the Group's accounting books and records; and
 - e) It is given with the prior consent of the Group CEO or the Board of Directors ("Board").

8. Commission, Discounts and Secret Profits

- 8.1 The Group does not allow its Employees (including their family members), or Associated Persons acting for and on behalf of the Group to, directly or indirectly, receive or obtain, in respect of any goods or services sold or purchased or other business transacted (whether or not such person(s) are party(ies) to the transaction) any discount, rebate, commission, service, interest, consideration of value or other benefit or payment of any kind (whether in cash or in kind) which is not authorised by the Group's policies.

9. Sponsorships and Corporate Social Responsibility ("CSR")

- 9.1 All sponsorships and CSR requests must be made in a legitimate manner and in good faith, in compliance with Code of Ethics, this Policy and all other relevant policies and procedures of the Group.
- 9.2 The Group allows sponsorships to be made or offered on behalf of the Group as long as they are not to be used as a conduit to fund illegal activities or to conceal bribery or corruption activities.
- 9.3 All CSR requests must be carefully examined for legitimacy and propriety and not to be made to improperly influence any business outcome. Where there is a CSR request, the relevant personnel must ensure that the proposed recipient is a legitimate organisation and appropriate steps must be taken to ascertain whether any public officials are affiliated with such organisations. If there are public officials involved, extra caution has to be exercised with the guidance of the Board. All CSR requests must be approved by the Group CEO or the Board.

10. Political Donations

- 10.1 Political contributions refer to the act of offering monetary or any in-kind contributions to support political parties, politicians, candidates or political campaigns.
- 10.2 The Group does not allow its Employees (including their family members), or Associated Persons acting for and on behalf of the Group to, directly or indirectly, make any political contributions.

For any political contributions made in a private capacity, the person should make clear to the recipient that the political contributions are not being made for or on behalf of, or in connection with, the activities of the Group. This includes the prohibition on the use of the Group's name and logo in any such political contributions.

11. Recruitment of Employees

- 11.1 Recruitment of Employees is based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption or foul play is involved in the hiring of Employees.
- 11.2 Proper background checks are conducted in order to ensure that the potential Employee has not been convicted in any bribery or corruption cases nationally or internationally. A more vigorous and detailed background check is conducted when hiring Employees that would be responsible for management positions as these individuals would be tasked with decision making responsibilities.

12. Due Diligence

- 12.1 Any arrangements, dealings or commitment the Group makes with any relevant parties or personnel (such as Directors, Employees, and Associated Persons) are subject to clear contractual terms, including specific provisions that require the relevant parties or personnel to comply with minimum standards and procedures relating to this Policy.
- 12.2 Due diligence should be conducted on any relevant parties or personnel prior to entering into any formalised relationship with the Group. The extent of the due diligence should be based on a bribery and corruption risk assessment. Methods may include background checks on the person or entity, online database, document verification process or conducting interviews with the person to be appointed to a key role where corruption risk has been identified. The results of the due diligence process must be documented and retained for at least seven years.
- 12.3 The Group shall include standard clauses in all contracts with business associates, which enable the Group to terminate the contract in the event that bribery or an act of corruption has been proved to occur.

13. Responsibilities of Employees

- 13.1 All Employees shall declare in writing that they have read, understood and will abide with the information, guidelines and requirements contained in this Policy. In the event the Employee is unsure or is in doubt of any of the provisions or requirements, the Employee must seek the advice or clarification from the company management.
- 13.2 All Employees are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.
- 13.3 If any Employee has reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, the Employee must promptly notify the Head of Department or appropriate channels for guidance on the next course of action.
- 13.4 If any Employee breaches this Policy, the Employee will face disciplinary action and could face dismissal for gross misconduct. The Group has the right to terminate a contractual relationship with an Employee if they breach this Policy. Further legal action may also be taken in the event that the Group's interests have been harmed or compromised as a result of non-compliance.
- 13.5 The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- 13.6 Where notification to the relevant regulatory authorities have been done, the Group shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against any convicted Employees.

14. Training Awareness and Communication

- 14.1 The Group shall conduct awareness programme for all its Employees to ensure they understand the Group's anti-bribery and anti-corruption measures/position.
- 14.2 The Group will provide training on this Policy as part of the induction process for all new Employees. Employees will also receive regular, relevant training on how to adhere to this Policy, and will be asked to formally accept that they will comply with this Policy.
- 14.3 The Group Human Resource Department shall maintain all records of training related to anti-bribery and anti-corruption attended by the Employees.
- 14.4 This Policy will be clearly communicated to all Associated Persons at the outset of business relations, and as appropriate thereafter.

15. Reporting of Policy Violations

- 15.1 The Group practices an open-door policy and encourages all Employees to share concerns and suggestions with their Heads of Department who are able to address them in an appropriate manner. If any Employee suspects that there is an instance of bribery or corrupt activities occurring in relation to his/her employment, the Employee is encouraged to raise his/her concerns at as early a stage as possible using the reporting channel stated in the Group's Whistleblowing Policy. If the Employee is uncertain about whether a certain action or behaviour can be considered bribery or corruption, he/she should speak to the Director or Head of Department or appropriate channels available.
- 15.2 In addition, under circumstances of suspicious behavior, allegations and/or investigation relating to bribery or corruption, the Group Human Resource Department reserves all rights to request the relevant Employee to declare information regarding assets owned or family ties and relationships as relevant and as deemed necessary.

16. Protection

- 16.1 If an Employee refuses to accept or offer a bribe or report a concern relating to potential act(s) of bribery or corruption, the Group understands that the Employee may feel worried about potential repercussions. The Group will support any Employee who raises concerns in good faith under this Policy, even if an investigation finds that he/she was mistaken.
- 16.2 The Group will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.
- 16.3 Detrimental treatment refers to dismissal, disciplinary action, or unfavourable treatment or coercion in relation to a concern the individual had raised.
- 16.4 If an Employee has reason to believe that he/she has been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, the Employee should inform the Head of Group Human Resource Department immediately.

17. Record keeping

- 17.1 The Group will keep detailed updated and accurate financial and non-financial records related to this Policy and procedures governing anti-bribery and anti-corruption measures, and will have appropriate internal controls in place to act as evidence for all payments made.

18. Audit and review

- 18.1 The Group Risk Management Committee is responsible for monitoring the effectiveness of this Policy and will review the implementation of the same on a regular basis so as to assess and ascertain its suitability, adequacy and effectiveness.
- 18.2 Internal control systems and procedures designed to prevent bribery and corruption are subject to regular audits, internally or by an external party to ensure that they are effective in practice. Such reviews should include improvements of the existing anti-bribery and anti-corruption controls in the Group. The outcomes of the audits should be reported to the Group Risk Management Committee and Group Audit Committee.
- 18.3 The Group Risk Management Committee shall conduct regular corruption risk assessment to identify the bribery and corruption risks affecting the business, set anti-bribery and anti-corruption objectives, and assess the effectiveness of the controls in achieving those objectives, at least once every 3 years. The scope, findings and results must be properly updated and documented. The Board and the Group Audit Committee should be kept informed of the identified risks.
- 18.4 Any deviation or waiver from this Policy must be recommended by the Group Risk Management Committee for approval by the Board.