



P&O GROUP

ANTI-CORRUPTION POLICY

1. Introduction

- 1.1 Pacific & Orient Berhad and its subsidiaries (“**P&O Group**”) has adopted a zero-tolerance approach to all forms of corruption. P&O Group is committed to conduct its business with the highest level of integrity and ethics and to comply with all applicable laws, rules and regulations on anti-corruption.
- 1.2 P&O Group’s Anti-Corruption Policy (“**Policy**”) sets out P&O Group’s policies to prevent acts of corruption. This Policy should be read in conjunction with the following policies, copy of which can be obtained from Pacific & Orient Berhad (“**POB**”)’s website at www.pacific-orient.com:
 - a) Conflicts of Interest Policy; and
 - b) Whistleblowing Policy and Procedures.
- 1.3 This Policy should also be read together with the Malaysian Anti-Corruption Commission Act 2009 and all the amendments thereof (“**MACCA**”), and any other anti-corruption laws that may be applicable.

2. Objective

- 2.1 This Policy sets out P&O Group’s position to prevent corrupt practices in relation to its business activities.

3. Scope

- 3.1 This Policy applies to Directors, Employees, Business Associates and other Third Parties associated with or acting on behalf of P&O Group. Breach of this Policy may result in disciplinary or other appropriate action (including but not limited to dismissal and imprisonment under the relevant provisions of the laws) being taken against the individual and/or organisation concerned.

4. Definitions

- Anti-Corruption Programme/The Programme : This P&O Group programme comprises policies, procedures, controls, training and communication to establish the necessary adequate procedure to prevent and/or reduce the risk of corruption.
- Business Associate : An external party with whom P&O Group has, or plans to establish, some form of business relationship. This may include a client, customer, joint venture partner, consortium partner, outsourcing service provider, contractor, consultant, subcontractor, supplier, vendor, adviser, agent, panel workshop, adjuster, legal firm, distributor, representative, intermediary and investor. A Business Associate is a subset of Third Party.
- Director : Member of the Board of Directors of a company within the P&O Group.
- Employee : Any individual directly contracted to P&O Group on an employment basis, including permanent, direct hire contract, part-time hire, temporary Employee, expatriate, secondee and intern.
- Government Official : Any employee, at any level, of a government department or agency at the federal, national, state or local level. This also includes politician, candidate for political office, employee of a political party and employee of a public international organisation, such as the World Bank and the European Union. An officer and employee of a company under government ownership or control, i.e. government-linked company is also considered a Government Official, even if the company is operated similar to a privately owned company.
- Gratification : Gratification is defined in the MACCA to mean the following:
- 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).

Third Party : A person, business or entity that is independent from P&O Group. A broader group than Business Associates. Note therefore that all Business Associates are Third Parties, but not all Third Parties are Business Associates. Examples of Third Parties include media organisations, non-governmental organisations (“NGOs”), charitable organisations, government departments, regulators, clients, suppliers, members of the public, etc.

5. What is Corruption

- 5.1 Corruption is a general term to describe any action of giving or receiving “Gratification” with corrupt intent which would be considered as an offence under the MACCA. In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation.
- 5.2 Bribery is a type of “Gratification” with a financial component. Therefore, bribery is a subset of Corruption which usually involves reward in a form of cash or in-kind of high value for performing a task in relation to his/her job description.

6. Commitment to Anti-Corruption

- 6.1 P&O Group’s policy is that corruption in all forms as it relates to P&O Group’s activities are prohibited.
- 6.2 No Director, Employee, Business Associate or other Third Party working in relation to P&O Group shall directly or indirectly, offer, give, receive or solicit any item of value with corrupt intent to influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of P&O Group or the persons involved in the transaction.
- 6.3 No Employee will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in P&O Group losing business or experiencing a delay in business operations.

7. Responsibilities of Directors and Employees

- 7.1 All Directors and Employees are required to carry out their responsibilities and obligations relating to P&O Group's Anti-Corruption Policy. These include the following:
- a) Be familiar and understand the applicable requirements and directives of this Policy;
 - b) If Directors and Employees have any questions about this Policy or if there is lack of clarity about the required action in a particular situation, they should seek P&O Group Anti-Corruption Committee ("**GAC Committee**") for clarification;
 - c) Always raise suspicious transactions and other 'red flags' (indicators of corruption) to immediate superiors or the GAC Committee directly for guidance on the next course of action;
 - d) Be alert to indicators or evidence of possible violations of this Policy;
 - e) Sign a personal integrity and conflict of interest declaration upon joining, and periodically thereafter if so decided by P&O Group. Declaration of any actual or potential conflicts of interest should also be done as soon as the Director or Employee becomes aware of them;
 - f) Promptly report violations or suspected violations through the designated recipients as stated in the Whistleblowing Policy and Procedures;
 - g) Attend training on anti-corruption as required; and
 - h) Not misuse their position or P&O Group's name for personal advantage.

8. Responsibilities Pertaining to Business Associates

- 8.1 All Business Associates including suppliers, vendors, contractors, consultants and agents acting on behalf of P&O Group are required to comply with this Policy.
- 8.2 Due diligence should be carried out on all new or potential Business Associates intending to act on P&O Group's behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of corruption in the course of its work with P&O Group.
- 8.3 P&O Group shall include standard clauses in all contracts with Business Associates which enable P&O Group to have the right to terminate the contract in the event that the Business Associate has been proven to have participated in corruption in relation to its work with P&O Group.

9. Integrity Declarations

- 9.1 Upon joining, and periodically thereafter if so decided by P&O Group, all Employees shall confirm in writing that they have read, understood and will abide by this Policy by signing an integrity and conflicts of interest declaration. A copy of the declaration shall be documented and retained by P&O Group Human Resource Department for the duration of the Employee's employment. The Company Secretary shall also document a copy of this declaration for the duration of the Director's appointment.

- 9.2 Business Associates shall sign the integrity declaration prior to executing the business agreement or the procurement process.

10. Human Resource

- 10.1 Recruitment of Employees is based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is to ensure that no element of corruption or foul play is involved in the hiring of Employees.
- 10.2 Background checks are conducted to ensure that the potential Employee is of a suitable calibre for the role and has not been convicted of any criminal offence including corruption. A more vigorous background check may be conducted when hiring Employees for management positions or roles which are involved in important decision-making and access to sensitive information, such as procurement and human resource.

11. Conflicts of Interest

- 11.1 All Directors and Employees shall take steps to avoid conflicts of interest where possible.
- 11.2 Business Associates shall declare conflicts of interest prior to executing the business agreement or the procurement process, and as and when there are any actual or potential conflicts that arise during the course of the contract.
- 11.3 Please refer to the P&O Group's Conflicts of Interest Policy for further details, which is available on POB's website at www.pacific-orient.com.

12. Policy on Gifts and Hospitality

12.1 Receiving Gifts

- a) P&O Group maintains a 'No Gift Policy', meaning that Employees, including their family members, are prohibited from directly or indirectly, receiving any personal gifts, kickbacks or guarantees in any form that may compromise an Employee's good judgment and decision making.
- b) It is the duty of the Employees to inform any Business Associate and other Third Party the Employee has dealings with, that P&O Group practices a 'No Gift Policy', and request that they respect this.
- c) 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 their superior (Head of Department ("HOD"), Chief Executive Officer ("CEO"), P&O Group CEO or POB Board (whoever applicable, according to their position), who will assess the circumstances.

12.2 Giving Gifts

- a) All Employees are expected to exercise good judgment when offering gifts to Business Associates or other Third Parties. Gifts should not be excessively extravagant and must not be given with corrupt intent. Gifts should be given openly and transparently in compliance with the Gift Guidelines, and feature company branding, where possible.
- b) The giving of gifts should not be done frequently and/or during specific time periods, such as during tenders or contract negotiations, to ensure that no influence is exerted on the decision making process.
- c) Any Employee intending to offer a gift to a Business Associate or Third Party must submit a written request, which is to be approved by the HOD and the CEO.

12.3 Exceptions for Giving and Receiving Gifts

- a) Even though P&O Group practices 'No Gift Policy', there are certain exceptions where the giving or receiving of gifts is allowed, for example:
 - i) If festive hampers are delivered to Employees by a Business Associate or a Third Party, refuse the festive hampers if possible. If refusal is not possible, complete the Gift Received Declaration Form.
 - ii) It is given to external institutions or individuals in relation to official functions, events or celebrations, for example, commemorative gifts or door gifts offered to attendees of events openly and not in private, such as during annual general meetings;
 - iii) It is given to individuals known personally by the Employee for commemorative occasions (e.g. weddings, funeral, memorial services, festivals, etc.) for purposes of maintaining good relationships. It must not be extravagant or excessive and P&O Group reserves the right to not reimburse if the gift might be considered as a form of bribe;
 - iv) It is given as sponsorship, supported by the proper documentation and approvals for legitimate purposes such as sporting, artistic, cultural or social events, in return for advertisement of P&O Group's brand, logo or product;
 - v) It is given as a contribution to a Business Associate or other Third Party to support an event organised for the benefit of consumers and the public at large, such as awareness campaigns;
 - vi) It is provided as part of a sales and marketing campaign organised by P&O Group, Business Associate and/or other Third Party to promote and sell P&O Group's products;
 - vii) It is given to Employees and/or their family members in relation to an internally or externally recognised P&O Group function, event or celebration, for example long service award or other Employee benefits; or
 - viii) It is given as a token of appreciation of nominal and reasonable value, typically bearing the logos of companies within P&O Group, to members of the public, delegates or customers at P&O Group's promotional events, training or trade shows or as part of P&O Group's branding exercise, such as t-shirts, pens, mugs, diaries, calendars, and similar items.

12.4 Hospitality Guidelines

- a) Hospitality are expenses incurred by P&O Group, Business Associate or by a Third Party which may be in the form of meals, travel, accommodation, recreation, tickets to theatre, a sporting event or any other forms of hospitality.
- b) Hospitality thresholds for both receiving and giving have been set depending on the Employee's job grade/position within P&O Group and the location of the event (whether in Malaysia or overseas).
- c) Hospitality provided by or offered to an Employee that exceeds the set limits must not be accepted or given without the prior written approval of the HOD and CEO. If such hospitality is provided by or offered to the CEO or P&O Group CEO, written approval of P&O Group CEO or POB Board must be obtained, respectively.

13. Policy on Business Travel

13.1 Directors and Employees attending conferences, seminars, training or business-related trips on behalf of P&O Group should have all expenses (including attendance fees) paid for by P&O Group unless otherwise specified in the relevant work or service contract. Travel expenses paid for by the company do not cover spouses or other non-business guests without prior written approval from the CEO, P&O Group CEO or POB Board (whoever is applicable, according to their position).

13.2 Employees should not offer any form of travel and related expenses to any Business Associates or other Third Parties that are not covered by contractual agreements, unless approved by the CEO.

14. Policy on Charitable Contributions, Donations, Sponsorships and Corporate Social Responsibility

14.1 All charitable contributions, donations, sponsorships and Corporate Social Responsibility ("CSR") must be made in a legitimate manner and in good faith, in compliance with the Code of Ethics, this Policy and all other relevant policies and procedures of P&O Group.

14.2 P&O Group allows charitable contributions, donations, sponsorships and CSR made or offered on behalf of P&O Group provided they meet the following 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 P&O Group's accounting books and records; and
- e) It is given with the prior approval of the CEO or the Board according to the Discretionary Authority Limit ("DAL").

14.3 All parties requesting for charitable contributions, donations, sponsorships and CSR shall be subject to a due diligence check.

14.4 Where there is a charitable contribution, donation, sponsorship or 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 Government Officials are affiliated with such organisations. If there are Government Officials involved, extra caution must be exercised with the guidance of the CEO, P&O Group CEO and/or the Board.

14.5 All charitable contributions and donations provided by P&O Group must be properly documented, receipted and recorded in P&O Group's financial records.

15. Policy on Commission and Discounts

15.1 P&O Group does not allow its Directors, Employees (including their family members), or Business Associates acting for and on behalf of P&O 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 P&O Group's policies.

16. Policy on Political Contributions

16.1 Political contributions refer to the act of offering monetary or any in-kind contributions to support political parties, politicians, political candidates or political campaigns.

16.2 P&O Group does not allow its Directors, Employees (including their family members), or Business Associates acting for and on behalf of P&O Group to make any political contributions either directly or indirectly via a Third Party.

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

17. Policy on Government Officials

- 17.1 P&O Group is committed to conducting its business with Government Officials in a fair and transparent manner in order to ensure the operations remain free from corruption.
- 17.2 While P&O Group strives to maintain good relationships with Government Officials, P&O Group Directors, Employees and Business Associates must adhere to this Policy in all circumstances.

18. Policy on Facilitation Payments and Kickbacks

- 18.1 A facilitation payment is a form of bribe made to secure or expedite the performance by a person performing a routine, administrative duty or function that the person is obliged to perform without receiving such payments. Facilitation payments occur when the recipient extorts the payment using the power of their official position.
- 18.2 Kickbacks are a form of negotiated bribery in which a commission is paid to the bribe-taker in exchange for services rendered. The purpose of a kickback is usually to encourage the other party to cooperate in approving a contract without following standard procurement procedures, or some other illegal scheme.
- 18.3 P&O Group's commitment:
- a) P&O Group prohibits either the giving, offering, or promising of facilitation payments and kickbacks of all kinds by Directors, Employees and Business Associates acting for and on behalf of P&O Group. Directors, Employees and Business Associates are also prohibited from receiving or requesting such payments whether in cash or in kind.
 - b) If a Director, Employee or Business Associate clearly identifies a demand for payment as a facilitation payment or kickback, the request must be refused. The Director, Employee or Business Associate must immediately report the incident to the HOD, CEO and/or POB Board, whoever is applicable.
 - c) If a Director, Employee or Business Associate is unsure whether the request constitutes a bribe or otherwise, they are advised to contact their HOD, CEO and/or POB Board, whoever is applicable, for further guidance before deciding the appropriate course of action.

19. Due Diligence

- 19.1 Due diligence should be conducted on the prospective Business Associate and prospective Employee prior to entering into any formalised relationship with P&O Group.

19.2 The extent of the due diligence should be based on a 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, in accordance with the due diligence criteria.

19.3 The results of the due diligence process must be documented and retained for at least seven (7) years.

20. Reporting Concerns (Whistleblowing)

20.1 P&O Group practices an open-door policy and encourages all Directors, Employees, Business Associates and other Third Parties to report their concerns and suggestions through the channels established by P&O Group so that they can be addressed in the appropriate manner. Please refer to P&O Group Whistleblowing Policy and Procedures for further details, which is available on POB's website at www.pacific-orient.com.

21. Protection

21.1 P&O Group understands that a person may feel worried about potential repercussions if the person refuses to accept or offer a bribe or report a concern relating to potential act(s) of corruption. P&O Group will support any person who raises concerns in good faith under this Policy, even if an investigation finds that he/she was mistaken.

21.2 P&O 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 corruption.

21.3 If any person 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 Director, Employee or Business Associate should inform the P&O Group through the appropriate channel stated in P&O Group Whistleblowing Policy and Procedures.

22. Training Awareness and Communication

22.1 P&O Group shall conduct an ongoing awareness programme for all its Employees to ensure they understand P&O Group's anti-corruption measures/position.

22.2 P&O Group Human Resource Department shall maintain all records of training related to anti-corruption attended by the Employees.

22.3 The P&O Group Company Secretary shall make the necessary arrangements in the provision of training to Directors.

23. Sanctions for Acts of Corruption

- 23.1 P&O Group regards corruption as a matter of serious misconduct and shall take disciplinary action in the event of acts of corruption being identified, up to and including termination of employment, as per P&O Group's employment policies.
- 23.2 For Business Associates, acts of corruption may lead to penalties, including termination of contract.
- 23.3 Further legal action may also be taken in the event that P&O Group's interests have been harmed by the results of acts of corruption by individuals and organisations.

24. Record keeping

- 24.1 P&O Group shall keep detailed updated and accurate financial and non-financial records related to this Policy and accompanying procedures.

25. Audit, Monitoring and Continuous Improvement

- 25.1 P&O Group shall conduct regular audits and reviews to assess the performance, efficiency and effectiveness of the Anti-Corruption Programme, and to ensure that the Programme is enforced. Such audits and reviews may be conducted internally by P&O Group or by a Third Party. Audit documentation shall include opportunities to improve the Programme.
- 25.2 A P&O Group-wide corruption risk assessment shall be conducted at least once every three (3) years. The services of specialist consultants may be used to conduct the risk assessments and review the Programme.
- 25.3 The outcomes of risk assessments, audits and reviews, including any evaluation of the effectiveness of the Anti-Corruption Programme and opportunities for improvement shall be reported to the P&O Group Risk Management Committee, P&O Group Audit Committee and/or the Board as appropriate.
- 25.4 Any deviation or amendment in relation to this Policy must be recommended by GAC Committee for concurrence of P&O Group Risk Management Committee and approval by POB Board.