

Shan Poornam Group
Anti-Bribery Management System

ANTI-BRIBERY & CORRUPTION POLICY

Effective 1 December 2020

For internal circulation

Contents

1.	Policy statement	3
1.1	Commitment to integrity	3
1.2	Zero tolerance policy	3
1.3	Scope of policy	3
2.	Objectives	3
2.1	Requirements	3
2.2	Specific goals	3
3.	Application	4
3.1	Who must comply with this policy?	4
3.2	Non-controlled entities	4
4.	Roles and responsibilities	4
4.1	Board of directors	4
4.2	Compliance Function	4
4.3	Management	4
5.	Bribery and corruption	4
5.1	What is bribery and corruption?	4
5.2	What you must not do	5
5.3	What you must do	5
6.	Facilitation payments and kickbacks	5
6.1	What are facilitation payments and kickbacks?	5
6.2	What you must not do	6
6.3	Threat to life or injury	6
7.	Gifts, entertainment and hospitality	6
7.1	General principles	6
7.2	Specific requirements	6
7.3	What is never acceptable	6
7.4	Examples of appropriate gifts, entertainment and hospitality	7
7.5	Requirement for approval	7
7.6	Private sector vs public officials	7
7.7	Approval of Head of Department or liaison officer	7
7.8	Where approval of Compliance Function is needed	8
8.	Donations and sponsorships	8
8.1	Political contributions	8
8.2	Charitable donations	8
8.3	Approval of the Compliance Function	8
9.	Conflict of interest	9
9.1	Acting in our Group's best interest	9
9.2	When does a conflict of interest arise?	9
9.3	Disclosing conflicts of interest	9
10.	Accurate accounting and record-keeping	9
10.1	Financial and non-financial controls	9
10.2	Formal record of gifts	9
11.	How to raise a concern	10
11.1	Duty to notify	10
11.2	Potential risk scenarios: "red flags"	10
11.3	Assurance and protection	11

12.	Breaches of this Policy	11
12.1	Breaches by employees, service providers etc.	11
12.2	Legal consequence and penalty.....	11
13.	Training and review	11
13.1	Training and induction	11
13.2	Communication	12
13.3	Review of the Policy	12
	Schedule A Gift, Entertainment and Hospitality Approval Form	13
	Schedule AB Donation and Sponsorship Approval Form	15
	Schedule B Gift, Entertainment and Hospitality Register	17
	Schedule C Training and Attendance Register	18

1. Policy statement

1.1 Commitment to integrity

Shan Poornam Sdn Bhd and its group of companies (collectively, the **Group, we, us** or **our**) are committed towards ensuring the highest standards of integrity, accountability and professionalism in all our business dealings and relationships wherever the Group operates. Everyone in the Group, including the board of directors, management and every employee, is responsible for achieving this standard. This means avoiding the practice of bribery and corruption of all forms in the Group daily operations.

1.2 Zero tolerance policy

The Group adopts a zero tolerance policy against all forms of bribery and corruption and is committed to the implementation, enforcement and continual improvement of an effective anti-bribery management systems to counter bribery and corruption. The Group will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which the Group operates.

1.3 Scope of policy

This Anti-Bribery and Anti-Corruption Policy (**Policy**) is established to facilitate the prevention and disclosure of all forms of bribery and corruption occurring within the Group. It is not intended to provide definitive answers to all questions in relation to bribery and corruption.

2. Objectives

2.1 Requirements

This Policy is developed to set out the framework for the prevention and disclosure of any acts of receiving or giving gratification in the course of business in line with the applicable laws in Malaysia. It intends to fulfil the requirements set forth in:

- (a) the Guidelines on Adequate Procedures issued by the Prime Minister's Office pursuant to Subsection 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 [*Act 694*] (**Section 17A Guidelines**); and
- (b) our Anti-Bribery Management System designed for MS ISO 37001:2016 certification (**Anti-Bribery Management System**).

2.2 Specific goals

This Policy aims to:

- (a) foster the growth of a business environment that is free of bribery and corruption;
- (b) set out the Group's responsibilities, and of those working for and on behalf of the Group in observing and upholding the Group's position on bribery and corruption;
- (c) provide information and guidance to those working for and on behalf of the Group on how to recognise and deal with bribery and corruption matters;
- (d) ensure that those working for and on behalf of the Group take reasonable measures to ensure their activities are not involve in corruption; and
- (e) ensure compliance with the Section 17A Guidelines and our Anti-Bribery Management System.

3. Application

3.1 Who must comply with this policy?

This Policy applies to all persons working for and on behalf of the Group in any capacity, including:

- (a) employees at all levels (whether full-time, part-time, contract or temporary employees);
- (b) directors (executive and non-executive), senior management and officers;
- (c) agency workers, seconded workers, volunteers and interns;
- (d) agents, contractors, external consultants and third party representatives;
- (e) business partners and sponsors; and
- (f) any other person who performs services for or on behalf of the Group,

wherever located. References in this policy to **you** or **your** refer to any of the foregoing persons whom this Policy has been communicated to.

3.2 Non-controlled entities

Joint-venture and associate companies, in which the Group has no direct or indirect control of its management, are strongly encouraged to adopt these principles and standards to the extent possible. It is the policy of the Group to exercise its legal rights under applicable law and pursuant to or in connection with the relevant collaborative agreements to ensure that its partners and associates have adequate procedures for the prevention of bribery and corruption.

4. Roles and responsibilities

4.1 Board of directors

Our board of directors of Shan Poornam Sdn Bhd (**Board**) has overall responsibility for ensuring this Policy complies with the Group's legal and ethical obligations, and that all those under the Group's control comply with it. The Board will also review and revise this Policy on the recommendations of our Compliance Function.

4.2 Compliance Function

Our Compliance Function is independent of the day-to-day business activities of the Group and has the overall responsibility to implement this Policy, monitor its use and effectiveness, deal with any queries about it, audit internal control systems and procedures to ensure that they are effective in countering bribery and corruption, and report on the performance of the system directly to the Board and the Group's top management.

4.3 Management

Management at all levels are responsible for ensuring those reporting to them understand and comply with this Policy and are given adequate and regular training on it.

5. Bribery and corruption

5.1 What is bribery and corruption?

Bribery is the offering, promising, giving, accepting or soliciting of any *gratification* to induce or reward the recipient or any other person to do or forbear from doing anything in respect of

any matter or transaction; usually this takes the form of such person acting improperly in the performance of their function. Note that *gratification* can mean any financial or other advantage e.g. money, donation, gift, loan, fee, hospitality, service, discount, bonus, rebate, contractual award, dignity or employment.

Corruption is the abuse of entrusted power or position for private gain or the misuse of position to help others in improperly enriching themselves or getting power.

5.2 What you must not do

It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- (c) accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return;
- (d) accept hospitality from a third party that is unduly lavish or extravagant under the circumstances;
- (e) offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the approval of our Compliance Function;
- (f) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this Policy; or
- (g) engage in any other activity that might lead to a breach of this Policy.

5.3 What you must do

It may be difficult to determine whether a situation involves bribery and corruption. Hence, if you are unsure whether an act may be considered a bribe, ask yourself these questions:

- (a) Is this a bribe? Are you being pressured to provide something that you are not comfortable with?
- (b) Is this legal? Are there any laws, regulations or company policies that address this situation?
- (c) Will your act result in a negative impact on the Group's business or reputation?

Whenever in doubt, please consult your Head of Department, if you are an employee, or your liaison officer in the Group, if you are an external service provider for the Group. Any significant action that has a probability of being construed as bribery or corruption will be referred by your Head of Department or liaison officer to our Compliance Function for advice.

6. Facilitation payments and kickbacks

6.1 What are facilitation payments and kickbacks?

Facilitation payments are typically small, unofficial payments or advantages made to secure or expedite the performance of a routine, administrative duty or necessary action (for example by a government official).

Kickbacks are typically payments made in return for a business favour or advantage.

6.2 What you must not do

- (a) The Group prohibits any receiving, giving and promising of facilitation payments or kickbacks of any kind.
- (b) All persons subject to this Policy must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment or kickback. If you receive a request for, or if you are offered, facilitation payments or kickbacks, you must refuse to pay or accept and report it to your Head of Department or liaison officer immediately.

6.3 Threat to life or injury

However, there are certain situations or circumstances where one is faced with having to make facilitation payments or kickbacks in order to protect themselves from injury, loss of life or liberty. In such situations or circumstances, the person is allowed to make payments but such incident should be reported immediately to your Head of Department or liaison officer who should also bring the matter to the attention of our Compliance Function.

7. Gifts, entertainment and hospitality

7.1 General principles

This Policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of:

- (a) establishing or maintaining good business relationships;
- (b) improving or maintaining our image or reputation; or
- (c) marketing or presenting our products and/or services effectively.

7.2 Specific requirements

The giving and accepting of gifts, entertainment and hospitality is allowed if the following requirements are met:

- (a) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- (b) it is given in our name, not in your name;
- (c) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (d) it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value;
- (e) it is given openly, not secretly; and
- (f) it complies with any applicable local law.

7.3 What is never acceptable

The giving and accepting of gifts, entertainment and hospitality is never acceptable if they:

- (a) are illegal or prohibited by the receiving party's organisation;
- (b) involve parties engaged in an ongoing tender or competitive bidding process;
- (c) may have, or may be seen as having, a material effect on a transaction being undertaken by the Group;
- (d) are actively solicited or demanded by the recipient;

- (e) are offered for something in return; or
- (f) are inappropriate (disrespectful, indecent, sexually explicit or might otherwise reflect on the Group poorly, having regard to local culture).

7.4 Examples of appropriate gifts, entertainment and hospitality

- (a) In the Malaysia, it is customary for small gifts to be given or for meals to be sponsored during religious or cultural festivities (e.g. gifting of oranges during Chinese New Year or hosting 'buka puasa' dinners during the Ramadan fasting month). This will usually be acceptable provided they are not excessively lavish.
- (b) Promotional gifts of low value such as branded stationery to or from existing customers, supplier and business partners will usually be acceptable.
- (c) Reimbursing a third party's expenses, or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.
- (d) We appreciate that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.

7.5 Requirement for approval

No employee or service provider of the Group shall, on his/her own initiative, offer gifts, entertainment or hospitality, for or on behalf of the Group or in connection with the business the Group without the relevant approval in [Section 7.7](#) or [Section 7.8](#). **If we are offering gifts, entertainment or hospitality, employees and service providers should never avoid their obligation to seek approval by paying for it personally.**

7.6 Private sector vs public officials

Gifts valued at RM500 or less (from one source in any one calendar year) is considered to be of a token or modest amount within the private sector and within the Group's industry. Gifts to public officials of more than nominal value will rarely be appropriate.

7.7 Approval of Head of Department or liaison officer

Employees and service providers may offer or accept business gifts, entertainment and hospitality with the written approval of their respective Head of Department or liaison officer, as applicable, if:

- (a) the gifts are valued at RM500 or less (from one source in any one calendar year) and are given or received within the private sector;
- (b) the entertainment or hospitality does not involve overseas travel or more than three nights' accommodation;
- (c) it is an occasional drink or meal, attendance at sports, theatre or cultural event that is valued at no more than RM350 a person;
- (d) it complies with:
 - (i) *any one* of the principles in [Section 7.1](#);
 - (ii) *all* the requirements in [Section 7.2](#); and
 - (iii) does not fall within *any one* of the categories described in [Section 7.3](#).

7.8 Where approval of Compliance Function is needed

- (a) Heads of Department or liaison officers must seek the written approval from our Compliance Function where:
 - (i) any gift given or received within the private sector is valued at more than RM500 (from one source in any one calendar year);
 - (ii) any entertainment or hospitality given or received within the private sector involves overseas travel or more than three nights' accommodation;
 - (iii) any drink or meal, attendance at sports, theatre or cultural event is valued at more than RM350 a person; or
 - (iv) any gift, entertainment or hospitality involves any public or government sector organisation or individual (regardless of nature or value, unless purely nominal).
- (b) Our Compliance Function shall assess if the propose gift, entertainment or hospitality fulfils *one* of the criteria in [Section 7.1](#), complies with *all* the requirements in [Section 7.2](#) and does not fall within *any one* of the categories described in [Section 7.3](#), and where the gift, entertainment or hospitality involves any public or government sector organisation or individual, it is no more than of nominal value.
- (c) The Group CEO in consultation with our Compliance Function will determine what is to be done with gifts, entertainment and hospitality that exceed the applicable limit.
- (d) In respect of the receipt of gifts exceeding the value of RM500, if it is inappropriate to return or refuse the gift or if such action would cause offence, the Group may require the employee or service provider to accept the gift on the basis that it becomes the property of the Group.

8. Donations and sponsorships

8.1 Political contributions

We do not make contributions to political parties, committees, candidates and any person running for any office or government except to the extent that such contributions are towards charitable donations or sponsorship in compliance with [Section 8.2 \(Charitable donations\)](#) below.

8.2 Charitable donations

- (a) We only make charitable donations and sponsorships (of cash or in kind) that are legal and ethical under local laws and practices, or pursuant to the Group's corporate social responsibility initiatives, for purpose of local community or welfare development, as emergency donation in the case of natural disasters, or to support other socially beneficial purposes.
- (b) Such payments are not made in an attempt to influence any decision or gain a business advantage, and are always publicly disclosed.

8.3 Approval of the Compliance Function

No donations or sponsorship may be offered or made without the approval of our Group CEO. The background and reputation of the intended recipient will be considered in advance by our Compliance Function and our Compliance Function must be satisfied that the intended recipient is acting in good faith and that such donation, sponsorship or contribution will not be used for any improper purposes.

9. Conflict of interest

9.1 Acting in our Group's best interest

Conflicts of interest must be avoided and where actual, perceived or potential conflicts arise, such conflicts must be declared in accordance with this Policy.

9.2 When does a conflict of interest arise?

A conflict of interest arises in a situation where you are or may be in a position to take advantage of your role within the Group by using confidential information, assets or intellectual property of the Group for the benefit of yourself or others. Having a conflict of interest is not in itself a corrupt, but corruption can arise when a person with a duty to the Group breaches such duty by acting in the interest of others.

9.3 Disclosing conflicts of interest

Should you become aware of a conflict of interest, you are required to make a declaration to your Head of Department or liaison officer, who will record the declaration and determine the next course of action. Any conflict of interest that cannot be resolved by your Head of Department or liaison officer will be referred to our Compliance Function for advice.

10. Accurate accounting and record-keeping

10.1 Financial and non-financial controls

The Group's financial and non-financial controls, in particular, those measures designed to ensure that:

- (a) proper and complete records are maintained of all payments;
- (b) payments are bona fide (i.e. not linked to corrupt or unethical conduct); and
- (c) all accounts, invoices and other records are prepared and maintained with accuracy and completeness (i.e. accounts are not kept "off-book" to facilitate or conceal improper payments),

must be complied with at all times.

10.2 Formal record of gifts

- (a) All requests for payments or claims for expenses relating to gifts, entertainment and hospitality must be submitted to the Finance Department together with the relevant written approval (as set out in [Schedule A](#)) from your Head of Department, liaison officer and/or Compliance Function (as applicable) and their certification that the Group's policy in [Section 7](#) is complied with.
- (b) All requests for payments of donations or sponsorships must be submitted to the Finance Department together with the written approval set out in [Schedule AB](#) certification that the Group's policy in [Section 8](#) is complied with
- (c) Gifts, entertainment or hospitality approved by your Head of Department, liaison officer and/or Compliance Function (as applicable) will be kept in a written record as set out in [Schedule B](#), and will be subject to managerial review.

11. How to raise a concern

11.1 Duty to notify

- (a) You are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.
- (b) If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must notify your Head of Department, liaison officer and/or Compliance Function (as applicable), or report it in accordance with our Whistleblowing Policy as soon as possible.
- (c) If you are unsure about whether a particular act constitutes bribery or corruption, raise it with your Head of Department, liaison officer and/or our Compliance Function (as applicable).

11.2 Potential risk scenarios: “red flags”

- (a) Below is a list of possible red flags that may arise during the course of your working for the Group which may raise concerns under anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.
 - (i) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
 - (ii) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
 - (iii) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
 - (iv) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
 - (v) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
 - (vi) a third party requests an unexpected additional fee or commission to “facilitate” a service;
 - (vii) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
 - (viii) a third party requests that a payment is made to “overlook” potential legal violations;
 - (ix) a third party requests that you provide employment or some other advantage to a friend or relative;
 - (x) you receive an invoice from a third party that appears to be non-standard or customised;
 - (xi) a third party insists on the use of side letters or refuses to put terms agreed in writing;
 - (xii) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
 - (xiii) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or

- (xiv) you are offered an unusually generous gift or offered lavish hospitality by a third party.
- (b) If you encounter any of these red flags in the course of employment or the provision of services on our behalf, please report them promptly to your Head of Department or liaison officer (as applicable) or directly to our Compliance Function using the procedure set out in the Group's Whistleblowing Policy which are available on the Group's intranet:

11.3 Assurance and protection

- (a) Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.
- (b) We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform our Compliance Function immediately.

12. Breaches of this Policy

12.1 Breaches by employees, service providers etc.

The Group regards bribery and corruption as a serious matter. Hence, non-compliance with this Policy may lead:

- (a) to disciplinary action against employees which could result in dismissal for misconduct or gross misconduct; or
- (b) to termination of the our contractual (or other) relationship with individuals or organisations providing services or otherwise working on our behalf.

Further legal action (including claims for damages) may also be taken if the Group's interests have been affected as a result of non-compliance with this Policy.

12.2 Legal consequence and penalty

Please note that, in Malaysia, bribery is a punishable offences under the Malaysian Anti-Corruption Commission Act 2009 [*Act 694*]. Conviction may subject you to:

- (a) imprisonment up to 20 years; and/or
- (b) a fine of not less than five times the sum or value of the relevant gratification or RM10,000, whichever is higher.

13. Training and review

13.1 Training and induction

- (a) Training on this Policy forms part of the induction process for all individuals who work for the Group (including employees and external service providers).
- (b) Our Compliance Function may from time to time recommend that certain trainings be repeated to any employee or group of employees in any operating unit or region if deemed necessary based on changing circumstances.

- (c) The Compliance Function shall maintain a register recording training and attendance in the form set out in [Schedule C](#).

13.2 Communication

Our zero tolerance approach to bribery and corruption must be communicated as soon as reasonably practicable to all existing suppliers, contractors and business partners, and new ones at the outset of any business relationship with them, and as appropriate thereafter.

13.3 Review of the Policy

The Board will monitor compliance with this Policy and review this Policy regularly with consultation of the Compliance Function to ensure that it continues to remain relevant and appropriate. To that end, we may communicate to you updates on this Policy from time to time.

Approved by the Board on 27 November 2020.