



PIMPINAN EHSAN BERHAD
(201601021838) (1192777-W)
(Incorporated in Malaysia)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

INTRODUCTION

Pimpinan Ehsan Berhad (“PEB” or “the Company”) is committed to conducting business ethically and responsibly. With zero tolerance for bribery and corrupt activities, we are committed to upholding all laws relating to anti-bribery and anti-corruption in Malaysia, in particular, the Malaysian Anti-Corruption Commission Act 2009 and its subsequent 2018 amendments to the Act.

This Policy aims to:

1. Ensure that PEB establishes an adequate system to prevent any corruption practices in the Company’s business dealings as required under the Law;
2. Ensure PEB’s Directors, employees and/or associated persons understand and remain compliant to the established policies and procedures preventing any corrupt practices when carrying out their job on behalf of the Company;
and
3. Provide guidance to its Directors, employees and associated persons on how to act subjected to potential acts of bribery and when matters of corruption is concern, it shall be read in conjunction with the Company’s Code of Conduct, Whistleblowing Policy and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

INTRODUCTION TO THE LAW

The provision of subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACCA”), as stated in the Malaysian Anti Corruption Commission (Amendment) Act 2018 (“MACC Act 2018”), sets out the principle of a Company’s Corporate Liability where the Company can be made liable for the corrupt practices of its Directors /Employees and/ or Any Person(s) Associated with the Company’s in cases where such corrupt practices are carried out for the Company’s benefit or advantage and whether or not PEB’s Top Level Management and/or its Representatives had actual knowledge of the corrupt acts of its Employees, Directors and/or Associated persons.

TERMS & DEFINITIONS

“**Bribery**” is defined as any action which would be considered as an offence of giving or receiving ‘gratification’ under 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 a position of trust within an organization.

“**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 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).

Bribery may be 'outbound', where someone acting on behalf of the Company attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be 'inbound', where an external party is attempting to influence someone within the Company, such as a decision-maker or someone with access to confidential information.

Bribery and **Corruption** are closely related. However, corruption has a wider remit as per 'Corruption' definition below.

Business Associate is an external party with whom the Company has, or plans to establish, some form of business relationship. This primarily include Counterparties and Business Partners i.e. clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and Investors.

Corruption is defined by The Transparency International as 'an abuse of entrusted power for personal gain.' For the purpose of this policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (MACCA). Additionally, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

Conflict of Interest is when a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making of the Company.

Corporate Gift means something given from one organization to another, with the appointed representatives of each organization giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public

at events, trade shows and exhibitions as a part of building the company's brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the company name and logo and are of nominal value. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates.

Donations and Sponsorship are charitable contributions and sponsorship payment made to support the community or Organization.

Directors shall include all independent and non-independent directors, executive and non-executive directors of the Company and shall also include alternate or substitute directors of the Board.

Employees means individuals directly contracted to the Company by way of an employment basis, including permanent and temporary Employees and Directors.

Exposed Position means a staff position identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited to any role involving procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the company has identified as vulnerable to bribery.

Facilitation Payment means a payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.

Personal Gift means something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties. Personal gifts may include cash, cash equivalents such as credit cards, bitcoin or savings accounts, electronic items, watches, luxury pens, property, vehicles, free fares, shares, interest free loans, lottery tickets, travel facilities, entertainment,

services, club memberships, any forms of discount or commission, jewelleries, decorations, souvenirs, vouchers or any other valuable items.

SCOPE

This Anti-Bribery and Anti-Corruption Policy applies to all PEB's Directors, employees, consultants, contractors and representatives when they act on behalf of PEB. Complementing local statutory provision, this Policy sets out the standards to which all relevant parties of PEB must adhere to at all times.

RESPONSIBILITIES OF THE BOARD

1. The Board of Directors ("BOD") of PEB and its Management team shall take measures to ensure that PEB's personnel do not participate in any kind of corrupt practices for their or for the Company's advantage or benefit.
2. The BOD shall be responsible for approving and monitoring the Company's ethical values and for the oversight of the Company's anti-bribery programme. BOD shall receive regular updates and report and the oversight are delegated to the Audit and Risk Management Committee and Sustainability Committee of the Board.
3. The BOD assures its internal and external stakeholders that the Company operates in compliance with its established internal control policies on anti-corruption practices when carrying out their job in relation to business activities on behalf of the Company.
4. The BOD shall set the "tone from the Top" to encourage individuals to speak up when they are in the know of any bribery or corruption activity in the Company, any undisclosed Conflict of Interest, any non-compliant of this Policy, and any suggestion on areas of improvement to enhance the implementation of this Policy.
5. The BOD in discussion with Management shall make all efforts to improve the effectiveness of the framework on risks management particularly on the internal controls, reviewing, monitoring, trainings and communication of corruption.

COMPANY'S POLICY STATEMENT ON BRIBERY

The Company has zero-tolerance to any form of bribery or corruption and is committed to acting fairly professionally and with integrity when carrying out its business activities. PEB will not hesitate to take necessary action according to the anti-bribery law on a director of the company, an employee, a person associated with the Company, an agent or a company for any practices of bribery when carrying out business dealings on behalf of the Company.

COMPANY'S BUSINESS PRINCIPLES

The Company is committed to conduct its business ethically and maintain a policy of no-bribe of any kind. As a responsible organisation, PEB shall comply with the anti-bribery and anti-corruption laws and regulations of Malaysia and shall collectively prohibit: -

1. Dealing with Government Officials

To offer any gratification to any government official directly or indirectly in return for favourable treatment in the process of carrying out your job on behalf of the Company. The Company shall not bear the consequences of your actions / doings.

2. Political Contributions

The Company will only allow contributions to political parties and organizations, provided that such payments are:

- a) Made in accordance with the local / legal laws;
- b) Approved in accordance with the delegated limit of authority; and
- c) Properly recorded in the Company's financial books.

3. Charitable Contributions

The Company is allowed to make contributions to charitable organizations and provide non-commercial sponsorships, provided that they are not made to secure any

improper business or other advantage, do not give rise to any conflict of interest and are otherwise permissible under all applicable laws.

The Company shall not make any charitable contribution unless they have taken steps to verify the recipient's reputation or status as a charitable organization. All charitable contributions and non-commercial sponsorships provided by the Company must be recorded in the company's books of account and, where required by law, placed on the public record by the company and/or the recipient.

4. Entertainment, Gifts and Meals

No Gift Policy

As a basic principle, any transaction resulting from a business relationship and designed to achieve personal gain to a member of staff or their family is prohibited.

- a) All employees are strictly forbidden to accept any gifts from suppliers/ vendors/ customers.

Note : For items with a nominal value of RM500 below, such as hampers, pens, calendars or diaries or any gifts by vendors/suppliers/customers shall be reported and such items be submitted to the Human Resource Department ("HRD") for verification and if needed HRD shall seek higher Management's approval for receiver to keep such items for him/herself.

- b) The following types of payment are strictly prohibited:

- Payments to subsidize private events or activities;
- Payment of an employee's normal business travel and accommodation expenses;
- Payment of travel and accommodation expenses for family members;
- Cash inducements (includes cash given on a pretext of a loan or borrowing); and
- Any goods or services provided by a supplier or contractor at less than its commercial value must be through a Company approved purchase scheme open to all of its employees.

c) The following types of hospitality may not be accepted:

- Tickets for a function at which the donor is not present;
- Any level of entertainment, which is outside the bounds of accepted business,
- Extension of business trips for leisure purposes paid for by the host;
- Use of donor's property; and
- Visits to any location, which does not have a genuine business purpose.

Note: The only exceptions are modest hospitality such as business lunches, which are viewed as a courtesy of business relationship and which, at some point, where practical should be reciprocated.

5. Conflicts Of Interest

Conflicts of interest occurs when an individual or organization is involved in multiple interests, one of which could possibly corrupt, or be perceived to corrupt, the motivation for an act in another. A conflict of interest may be actual or potential and may be financial or non-financial.

To act in the best interest of PEB, it is the responsibility of the Company and its personnel, that any legal, financial, ethical or other conflicts of interest be avoided. Where such conflicts do arise, employees/directors are expected to disclose and declare in writing to the Company.

This disclosure obligation extends to interest in suppliers, customers and other companies which have significant transactions or dealings with the Company.

RESPONSIBLE CULTURE

Risk Assessment

Risk assessment shall be carried out in each department to identify the high likelihood risk area for bribery or corruption to take place. This assessment/identification shall be carried out by the Audit and Risk Management Committee with the Sustainability Committee to identify the general risks of the Company.

Upon identifying the relevant areas of risk, detailed procedures to address the potential areas of bribery or corruption shall be established by the Management.

Risk assessment shall be conducted at least 2 (two) times a year. All risks identified within the Company, and together with proposed mitigation plans, shall be presented to the Audit and Risk Management Committee and/or Sustainability Committee of the Board.

Due Diligence

Due diligence shall be carried out on Vendors for any Merger & Acquisition, Takeovers or Business Acquisition. A full due diligence shall be carried out on the Financial and Legal aspect basis, approved by the Audit and Risk Management Committee of the Board.

Undertake Control Measures

To achieve an environment free from bribery and corruption, the following control measure shall be carried out:

- **On Integrity and Ethical Values**

To clearly communicate that these are fundamentals which are non-negotiable to employees and person(s) in associate with the Company;

- **On Expectations of Employees and Person(s) in Associate with the Company**

A formal Policy stating the Company's expectation on bribery and corruption.

- **On Strategy and Objectives to counter Bribery & Corruption Practices**

Approval on Strategies and Objectives to be used to counter bribery shall be obtained from the Board and implemented by the Management team.

- **Organizational Structures to Defend Bribery & Corruption Practices**

Organization structure assigned with responsibilities and line of defence to be approved by BOD and organizational structure to be published and made known throughout the Company.

- **Company's Stance & Consequences on Non-Compliance of Anti-Bribery and Anti-Corruption Policy**

The preparedness of the Board and Management in foregoing of contracts shall be made know including action for non-compliance by employees, individuals and corporates associated with the Company.

- **Trainings on Anti-Bribery & Anti- Corruption**

Internal training programmes on awareness on this policy shall be provided to all employees. Any training programme shall be first approved by the Management.

PEB's Anti-Bribery and Anti-Corruption Policy shall be clearly communicated to all suppliers, contractors, business partners, and any third parties from the onset of business relations, and as appropriate thereafter.

Monitoring

All identified risks related to bribery and corruption shall be monitored accordingly to reaffirm that;

- Needed Standard Operating Procedures (SOPs) has been established or amended in view of mitigation proposed for identified risk;
- Established SOPs are being put to practice; and
- Any additional mitigation to be enforced to immediately address any weakness of non-compliant.

Enforcement

Enforcement of this Policy shall be the responsibility of all personnel of PEB and they shall ensure that any part of the policy is not being compromised in any manner and in any circumstances as to safeguard the Company from prevailing law on Corporate Liability being enforced.

Method of Reporting

Please refer to PEB'S Whistleblowing Policy for reporting methods.

Violation of Policy

Violation of the Policy will result in serious disciplinary action against Directors or employees and appropriate sanction shall be place upon agents/companies in violation of the Company's bribery policy. These actions shall depend on the degree of the violation. A committee shall be formed to investigate the case as well as assess the seriousness of the violation carried out.

This policy has been approved and adopted by the Board of Directors on 21 May 2021.