

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. INTRODUCTION

CEKD Berhad and its subsidiaries (the “**Group**”) is committed to conduct its business in an honest and ethical manner in the countries where it does business. The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. Directors and employees of the Group are committed to act fairly and professionally with integrity in all relationships and business dealings, as well as, complying with all applicable laws and regulations, including but not limited to the Malaysian Anti-Corruption Commission Act 2009 (including any amendment or re-enactment thereof) (“**MACCA**”), the Group’s Whistleblowing Policy and the Group’s Code of Conduct and Ethics.

This Anti-Bribery and Anti-Corruption Policy (“**Policy**”) provides principles and guidance to Directors and employees of the Group on how to address bribery and other corrupt activities and issues that may arise in the course of daily businesses within the Group.

2. OBJECTIVE

The objective of this Policy is to conduct all its business activities with integrity, honesty, transparency and full compliance with all relevant laws and regulations with the highest ethical standards.

The Group has adopted a zero-tolerance policy against all kinds of bribery and corruption, and Directors and employees of the Group are expected to strictly adhere to, or comply with, this policy when performing their duties. Whoever refuses to pay or accept bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business.

This Policy should be read together with other policies and procedures such as the “Code of Conduct and Ethics” and the “Whistleblowing Policy” of the Group.

3. SCOPE AND APPLICABILITY

This Policy applies to:

- (a) all the Directors (executive and non-executive, independent and non-independent), company secretaries and committee members of the Group;
- (b) all the Group’s employees (including full time, probationary, contract, temporary hire and foreign workers), regardless of their role or position;
- (c) all business associates and third parties (including but not limited to vendors, joint venture partners, clients, bankers, consultants, agents, advisors, distributors, lawyers, intermediaries and investors) that are currently engaged or have intention to engage, with the Group in the future.

All Directors, employees, business associates and third parties must read, understand and comply with the requirements set in this Policy. Failure to adhere to this Policy can result in disciplinary actions, including termination of employment and/or business dealings.

If a Director requires further clarification on the Policy, the Director may refer to the CEKD Group's Board of Directors ("**Board**"), whereas for an employee, the employee may refer to his/her immediate superior or Head of Department ("**HOD**").

4. DEFINITIONS OF "BRIBERY" AND "CORRUPTION"

BRIBERY

Bribery is the offering, giving, promising, accepting or soliciting of an advantage or any gratification as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

"Gratification" as defined and interpreted under Section 3 of the MACCA is:

- (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).

CORRUPTION

Corruption is a form of dishonesty or criminal offense undertaken by a person or organisation entrusted with a position of authority to acquire illicit benefit or abuse of entrusted power for private gain.

5. GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION

(a) Gifts, Entertainment and Hospitality

The Group prohibits both the acceptance and provision of Gifts, Entertainment and Hospitality (collectively referred to as the “Benefits”) to influence decision-making and/or to obtain and retain business or secure an unfair advantage in any business dealing or treatment.

No Benefits shall be offered to, or solicited from, third parties such as suppliers, clients, business associates and other stakeholders who deal with the Group in connection with their official duties if this would influence any business decision and/or give rise to appearance of impropriety or bias that would adversely affect the reputation of the Group.

For the avoidance of doubt, this Policy does not prohibit normal business hospitality such as meals and entertainment for business purposes, occasional token gifts and customary gifts during festive seasons, special occasions or social events, so long as they are reasonable, appropriate, modest and bona fide corporate courtesies. Infrequent and moderate business meals and entertainment with clients and infrequent invitations to attend local social events and celebratory meals with clients can be appropriate aspects of promoting good business relationships, provided that they are not excessive, lavish and extraordinary in nature.

The Directors and employees should be mindful in giving or accepting such Benefits in business settings and must comply with all applicable laws, rules and regulations in countries that the Group operates. The intention behind the Benefits should always be considered. No person subject to this Policy will suffer demotion, penalty, blacklisting or other adverse consequences for refusing to pay or accept bribes or participate in other illicit behaviour.

This Policy shall be read in conjunction with Section 1.4 (a) and 1.4 (b) of the Code of Conduct and Ethics (“Code”) of the Company, where as a general rule, employees are discouraged from giving or accepting gifts, entertainment and other benefits to or from business partners. Notwithstanding this, the Company recognises that the occasional acceptance or offer of modest gifts and entertainment may be a legitimate contribution to good business relationship. In such occasion, employees receiving or giving the gifts, entertainment and other benefits including invitations to business luncheons and dinners, which may be given or accepted by the employees, shall be responsible for assessing whether it is appropriate and within the boundaries set out in the Code as well and its guidelines.

Subject to the guideline, where the value of the gifts, entertainment and other benefits received exceeds the monetary threshold of RM500.00 as determined by the Company, employees shall declare the gift, entertainment and other benefits received to the Head of Human Resources.

(b) Facilitation Payment

Facilitation payment refers to an unofficial payment made to secure or expedite the performance of a routine or necessary action by a public official or decision maker in private sectors. Facilitation payments need not involve cash or other financial asset, it can be any sort of advantage with the intention to influence the relevant parties in their duties.

Facilitation payments are illegal under the laws of MACCA and therefore the Directors and employees of the Group are strictly prohibited to offer, promise, give, request or accept anything which may reasonably be deemed as facilitation payment.

(c) Corporate Social Responsibility, Donations and Sponsorships

Company's Corporate Social Responsibility (CSR), donations and sponsorships are part of the Group's commitment to communities and societies who require special help and care. Hence, the Group must be cautious to ensure that all CSR initiatives, donations and sponsorships are not used as a scheme to conceal bribery but must be given through legal and proper channels and shall be approved by the Directors or the Group's Managing Director.

(d) Political Contributions

The Group does not make charitable donations or contributions to political parties or candidates or campaign. However, this Policy does not prohibit the Directors and employees of the Group from making any personal political donations. The Group will not reimburse its Directors and employees for these personal political contributions.

If any donation or contribution is made, it must be approved by the Board, permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return. Records of such contributions must be accurately reflected in the books of the Group.

(e) Conflict of Interest

A conflict of interest occurs when the personal interest interferes or appears to interfere with the interest of the Group as a whole. Directors and employees must avoid any conflict of interest with the Group and must not use their positions, official working hours, the Group's resources and assets, or knowledge gained, directly or indirectly in the course of their duties or employment, for personal or private gain, or to the Group's disadvantage.

The Group's Directors and employees are required to make a declaration on conflict of interest on an annual basis, as and when they become aware of a conflict at any other time, in accordance with the Group's policies and procedures.

Should an actual or potential conflict of interest arise, or may arise, the affected Directors and employees shall immediately make full disclosures to the Board or to the Superior/HOD, where applicable, the nature and extent of such conflict. The affected individuals shall then abstain from making a material decision with respect to any transaction, contract, or proposed contract or arrangement in which they are interested, whether directly or indirectly.

As part of control measures, it is important that conflict of interest for each employee in the Company is properly declared in a form and kept as a record.

6. RISK ASSESSMENT ON BRIBERY AND CORRUPTION

The management will perform a comprehensive risk assessment on corruption to identify structural weaknesses that may facilitate corruption, record the potential corruption risk scenarios and the relevant mitigation controls, and include into the general risk register. The risk assessment will be conducted every three (3) years, with intermittent assessments to be conducted when necessary.

7. DUE DILIGENCE

The Group shall conduct due diligence on the employees, business associates and major business activities, either on a regular or one-off basis, in particular where there is significant exposure to bribery and corruption risk.

The Group shall conduct due diligence on new customers and suppliers prior entering into any formalised transactions, whenever the aggregate amount is above the materiality threshold. The methods of due diligences include documentation about customers and business associates shall be screened; web searches and interviews shall be necessarily conducted to understand their background and ensure that they are involved in lawful activities.

8. RESPONSIBILITIES

The Group's Directors and employees are required to read, understand and comply with the Policy. The prevention, detection and reporting of bribery and corruption shall be the responsibility of all Directors and employees, all of whom are required to avoid and refrain from any activity of any kind that may lead to, or suggest, or result in, a breach of this Policy.

A Director or employee will be accountable individually whether he or she pays a bribe himself or herself, whether he or she authorises, assists or conspires with someone else to violate this Policy and/or anti-bribery and anti-corruption law.

9. RECORD KEEPING

All payments made to third parties in the ordinary course of business shall be accurately recorded and kept as these would serve as evidence that such payments are bona fide and not linked to any corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness.

Directors and employees must ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are approved by the Board and must specifically and clearly record the reason for such expenditure.

10. TRAINING AND COMMUNICATION

The Group shall conduct a timely refresher and awareness programme to Directors and employees to ensure they understand the Group's anti-bribery and corruption position.

Regular training shall be conducted in accordance with the level of bribery and corruption risk related to the position. The Group should also provide training to new employees or newly appointed to, or currently holding, an exposed position.

The Group's zero-tolerance approach to bribery and corruption must be communicated to all the business associates and third parties at the outset of our relationship and where appropriate thereafter.

11. REPORTING VIOLATIONS OF THE POLICY

Any individual with any concerns, suspicions or knowledge regarding any improper or unethical business practices, or a violation of the Policy, is encouraged to report using the procedures as indicated in Group's Whistleblowing Policy. The provision, protection and procedure of the Whistleblowing Policy for reporting violations of the Policy are available on CEKD's website.

No individuals will be discriminated against or penalised or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated with utmost confidentiality and shall not disseminate to third parties.

12. REVIEW OF THE POLICY

The Board will monitor compliance of the Policy and review the Policy when necessary to ensure that it continues to remain relevant and appropriate.