

SAPURA INDUSTRIAL BERHAD (COMPANY NO. 17547-W)

ANTI-BRIBERY AND CORRUPTION POLICY

1A. INTRODUCTION

- 1.1 Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Act”) which came into force on 1 June 2020 governs the offence of corruption committed by persons associated with a commercial organization.
- 1.2 “Associated persons” referred to in the MACC Act would include the director, partner, employee and those who perform services for or on behalf of the commercial organisation.
- 1.3 The penalty for an offence under Section 17A shall be a fine of not less than ten times the value of the gratification in question or RM1 million, whichever is higher, and/or imprisonment for not more than 20 years, or both.

1B. OBJECTIVE, PURPOSE AND SCOPE

- 1.1 This Anti-Bribery and Corruption Policy (“Policy”) applies to all Employees, Directors, and Business Associates of SIB Group. This Policy is not intended to deal with all circumstances relating to Bribery and Corruption, and should be read together with SIB Group’s codes, processes, procedures and policies.
- 1.2 The purpose of this Policy is to:
 - assert SIB Group’s stance against Bribery and Corruption;
 - outline SIB Group’s anti-bribery policies and procedures;
 - outline the duties, roles and responsibilities of Employees, Directors and Business Associates in detecting, preventing and reporting actual, suspected or attempted Bribery and Corruption; and
 - set out SIB Group’s adequate procedures to protect SIB Group against repercussions of the law for acts of Bribery or Corruption committed by their Employees, Directors or Business Associates.
- 1.3 Integrity Officer shall be primarily responsible for matters relating to Bribery and Corruption in SIB Group, including related SIB Group’s Policies and Procedures. The Integrity Officer shall report to the Chief Executive Officer. The Integrity Officer can be contacted at integrity@sapuraindustrial.com.my for any queries or declarations that have to be made pursuant to this Policy.
- 1.4 The duties of the Integrity Officer include:
 - answering queries regarding the interpretation SIB Group’s anti-bribery policies and procedures;
 - arranging for the investigation of allegations of Bribery or Corruption by an independent function not related to the incident;
 - alerting SIB Group’s management and Board of Directors regarding issues concerning Bribery and Corruption;

- periodically evaluate and improve SIB Group's anti-bribery and corruption processes, policies and procedures;
- monitoring the effectiveness and the use of SIB Group's anti-bribery and corruption policies and procedures and the performance of personnel with regards to the anti-bribery framework;
- proposing any improvements to SIB Group's anti bribery and corruption processes, policies and procedures;
- To coordinate an external audit at least once every three (3) years to ensure compliance with the "adequate procedures" requirement by the Malaysian Anti-Corruption Commission Act 2009; and
- To work with the Human Resources Department conduct disciplinary proceedings against personnel who do not comply with SIB Group's anti-bribery and corruption policies and procedures.

1.5 The Integrity Officer shall also lead the Anti-Bribery and Corruption Committee which members consist of head of departments of each function. The Committee will assist Integrity Officer in discharging the above duties.

2. ANTI-BRIBERY AND CORRUPTION STATEMENT

2.1 SIB Group does not tolerate any form of Bribery or Corruption regardless of whether it is committed within or outside of Malaysia. All Employees, Directors and Business Associates of SIB Group are prohibited from soliciting, receiving, procuring, offering, or giving gifts, entertainment or anything of value with a corrupt intent, and are required to adhere to the laws of Malaysia and any country that they conduct business in.

2.2 Employees, Directors or Business Associates who are found to be in breach of the laws of Malaysia, or in breach of this Policy or any of SIB Group's policies dealing with Bribery and Corruption shall be subject to disciplinary action and/or will be reported to the relevant authorities. Any violation of this Policy shall constitute a grave misconduct, and may result in disciplinary action including dismissal or the termination of a business relationship.

3. DEFINITIONS

3.1 "Bribery" is the offering, promising, giving, accepting or soliciting of an undue advantage of any value (whereby the advantage could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.

3.2 "Business Associates" means an external party with whom SIB Group has, or plans to establish some form of business relationship, and can include customers, vendors, suppliers, contractors, agents, consultants, joint venture, joint venture partners, distributors, outsourcing providers, sub-contractors, advisors, representatives, intermediaries and investors of SIB Group and where relevant, clients of SIB Group.

3.3 "Conflict of Interest" is a situation where business, financial, family, political or personal interests could interfere with the judgment of persons in carrying out their duties for SIB Group, leading to the interests of SIB Group being undermined or SIB Group being put at a disadvantage.

- 3.4 “Corruption” generally refers to where a party obtains, attempts to obtain a personal benefit or a business advantage through improper or illegal means. Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs. Corruption can include Bribery, extortion or kickbacks.
- 3.5 “Employees” means the employees of SIB Group or their subsidiaries, whether permanent, part time, temporary or on contract or undergoing their internship.
- 3.6 “Directors” means the Board of Directors of SIB Group or their subsidiaries.
- 3.7 “Family Members” includes spouse, children, parents, siblings, including adopted or step-children, step-parents or step-siblings, grandparents, grandchildren or any other person who is a member of the same household or who has a close relationship.
- 3.8 “Public Official” means a person holding a legislative, administrative or judicial office, whether by appointment, election or succession, or any person exercising a public function, including for a public agency or public enterprise, or any official or agent of a public domestic or international organisation, or any candidate for public office.

4. GIFTS AND ENTERTAINMENT

- 4.1 SIB Group generally practices a “no gift policy” with some exceptions. SIB Group prohibits gifts that serve to or appear to inappropriately influence business decisions, or enable a party to gain an unfair advantage.
- 4.2 The offering, provision or receiving of gifts must be conducted in line with SIB Group’s No Gift Policy.
- 4.3 The offering, provision or receiving of entertainment must be conducted in line with SIB Group’s Entertainment Policy.

5. DONATIONS AND SPONSORSHIPS

- 5.1 Donations and sponsorships by SIB Group to any external party are only permitted in line with SIB Group’s Policies pertaining to donations and sponsorships.
- 5.2 Contributions to any Public Official or to political parties in SIB Group’s name is strictly prohibited, except as permitted in the Gift Policy and Code of Conduct and Business Ethics.
- 5.3 When SIB Group makes any donations or sponsorships, the following requirements and principles should be adhered to :
- Internal approval from Chief Executive Officer must be obtained before a donation or sponsorship can be granted.
 - Due diligence must be conducted before a donation or sponsorship is granted to ensure that it is appropriately granted and not an indirect form of Bribery. The nature of the activity, identity, reputation of the recipient, any conflicts of interest with SIB Group, and the legality of the initiative should be considered as part of the due diligence process.

- Verification and periodic monitoring should be conducted on all donations and sponsorships to ensure that they have been appropriately utilised for their intended purpose and not misused.
- Checks must be conducted to ensure that contributions are allowed by the relevant laws.
- All donations and sponsorships should be reflected accurately in SIB Group's internal records.

6. FACILITATION PAYMENTS

- 6.1 An illegal or unofficial payment for the performance of a routine action or service, such as to facilitate or expedite the performance of such action or service, that the payer is supposed to receive is called a facilitation payment. It is also known as a 'grease payment' or a 'speed payment'. A facilitation payment can take many shapes and forms, such as cash, gifts, vouchers, tickets, etc. This is a form of Bribery and such payments are prohibited by SIB Group.
- 6.2 However there are exceptions to this general rule. Where a facilitation payment has been made to protect a life, a person's health, safety or liberty, this facilitation payment must be immediately reported to the Integrity Officer who shall record the incident, arrange for an investigation and inform management or the Board of Directors.

7. CONFLICT OF INTEREST

- 7.1 Conflicts of Interest are not a form of Corruption on their own. However, Conflicts of Interest create the risk of Bribery or Corruption occurring.
- 7.2 Employees, Directors and Business Associates and their respective Family Members have duty to avoid Conflict of Interest where possible in accordance with SIB Group's Conflict of Interest Policy in the SIB Group Code of Ethics and Business Conduct.

8. BUSINESS AND DEALINGS WITH EXTERNAL PARTIES

- 8.1 Any dealings with external parties (including Business Associates) must be carried out in compliance with SIB Group's policies and procedures, and relevant laws relating to Bribery and Corruption.
- 8.2 Business Associates are expected to :
- read and understand SIB's policies and procedures relating to anti-bribery and corruption.
 - conduct themselves in a manner that embraces SIB Group's anti-bribery and corruption values and standards;
 - comply with all applicable laws within and outside of Malaysia;
 - comply with SIB Group's policies and procedures; and
 - implement internal controls, policies and procedures to manage any risk of Bribery and Corruption.

8.3 Business Associates will be subject to risk assessments and due diligence by SIB Group, which shall include assessments on transactions and projects before a formalised agreement or arrangement is established. SIB Group will also periodically monitor Business Associates, transactions and projects that have more than a low risk of Bribery and Corruption.

9. PROCUREMENT

9.1 Procurement shall be conducted in accordance with SIB Group's internal processes and procedures relating to procurement, whereby the following controls shall be imposed:

- due diligence is conducted before a business relationship is formed to ensure that the candidate is the most qualified and suitable to conduct the procurement role and there are no convictions or allegations of Bribery or Corruption against the candidate;
- procurement is conducted in an efficient, transparent, non-biased manner;
- verification and periodic monitoring is conducted on persons involved in a procurement role, to ensure that their obligations are conducted in a proper manner; and
- actual or perceived Conflict of Interest by persons involved in the procurement role are to be avoided and where they cannot be avoided, a declaration of conflict should be made pursuant to this Policy.

10. RECRUITMENT AND EMPLOYMENT

10.1 Recruitment of Employees and Directors by SIB Group must be conducted in accordance with SIB Group's policies, internal processes and procedures relating to recruitment. SIB Group's Human Resource Department shall ensure that:

- background checks are conducted to ensure there is no impropriety related to a new recruit and that they are the most qualified and suitable for the role;
- any Conflict of Interest present in the recruitment process is declared and addressed; and
- any potential Conflict of Interest or issues in the recruitment of a new Employee is recorded, resolved and/or mitigated before the person is hired.

10.2 In managing existing Employees, the Human Resource Department shall ensure that:

- performance bonuses and incentives available are reviewed at intervals; and
- due diligence is conducted before Employees are laterally transferred or promoted to ensure that there is no Conflict of Interest or ulterior motive for the move.

11. WHISTLE-BLOWING AND REPORTING

11.1 SIB Group's Employees, Directors, Business Associates are required to report any actual, suspected or anticipated instances of Bribery or Corruption in accordance with SIB Group's whistle-blowing policy. Other parties, including members of the public may also make reports pursuant to the whistle-blowing policy.

11.2 The Whistle-blowing policy is available at www.sapuraindustrial.com.my.

12. OTHER CONTROLS

12.1 SIB Group has in place financial and non-financial controls for its operations in order to detect and prevent Bribery and Corruption from occurring.

12.2 These controls shall be administered by the relevant departments of SIB Group, and shall include :

- the separation of duties and approval powers;
- limits of authority;
- the requirement for multiple signatories for transactions that have more than a low risk of Bribery and Corruption; and
- monitoring compliance with policies and procedures.

13. TRAINING AND COMMUNICATION OF POLICIES

13.1 SIB Group's Anti-Bribery Policies and Procedures shall be communicated by SIB Group :

- upon Employees or Directors joining SIB Group;
- upon the creation of a business relationship with Business Associates; and
- at planned intervals via email blasts, letters, sharing of website links, and other forms of communication.

13.2 Training on SIB Group's anti-bribery policies and procedures shall be conducted at planned intervals. Mandatory training shall be given to Employees, Directors and Business Associates with more than a low risk of corruption. The content of training shall be built around SIB Group's risk assessment of their Bribery and Corruption risks. It shall cover :

- the duty to comply with SIB Group's policies and procedures;
- laws relating to Bribery and Corruption including the Malaysian Anti-Corruption Commission Act 2009;
- avoidance and prevention of Bribery and Corruption;
- training for Employees in certain position to recognise and thereafter report actual, suspected or attempted Bribery or Corruption;
- sanctions that will be imposed by SIB Group and authorities for non-compliance; and
- where to obtain further advice or information regarding SIB Group's policies and procedures.

13.3 Systematic evaluation on effectiveness of training programs shall be conducted on yearly basis.

13.4 Any queries regarding training contents can be directed to Integrity Officer.

14. RECORD KEEPING AND REVIEWING POLICIES

- 14.1** Documents in SIB Group shall be maintained by the department involved in the business function relating to the document, in accordance with SIB Group's policies, processes and procedures relating to record keeping. Such documents shall include declarations and anti-bribery policies, processes and procedures.
- 14.2** Each department shall continuously review and monitor and propose improvements to SIB Group's anti-bribery policies and procedures. The department shall conduct periodic risk assessments and external and/or internal audits at least every 3 years.
- 14.3** The Board of Directors of SIB Group shall periodically review the policies and procedures relating to Bribery and Corruption to ensure they are relevant to the business functions and practices of SIB Group and up to date with the laws of Malaysia at least once a year.
- 14.4** This Policy is effective from 29 May 2020.