



PPB GROUP BERHAD
(196801000571/ 8167-W)

Group Anti-Bribery and Corruption Policy

(Version 1.1)





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Record of Revision

VERSION	REVISION	DESCRIPTION OF KEY CHANGES	EFFECTIVE DATE
1	0	Original	15 April 2020
1	1	Updated the definition of "Business Associate" under 3. (b)	27 Aug 2020

PPB GROUP BERHAD ANTI-BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION

- 1.1** Integrity is our core value and the guiding principle of our decisions and actions in the workplace. PPB Group Berhad (“**PPB**”) and its subsidiaries (“**the Group**”) are committed to doing our business in a fair, open, honest and transparent manner. The Group practices high ethical standards in everything that we do.
- 1.2** Bribery and corruption compromises business ethics and damages an organization’s reputation. As such, the Group strongly opposes any practice that improperly or illegally disrupts proper business conduct.
- 1.3** This Anti-Bribery and Corruption Policy (“**ABAC Policy**”) provides a clear statement of the conduct which is expected of the Group’s personnel. This policy also applies to any third party who performs services for and on behalf of the Group.

2. OBJECTIVE

- 2.1** The Board of Directors of the Group is committed to complying with the anti-bribery and corruption laws in Malaysia, and also other anti-bribery and corruption laws in all the countries that the Group operates. Thus, this ABAC Policy has been developed with the purpose of fulfilling the said legal and regulatory requirements and sets out the Group’s overall position on bribery and corruption in all forms, such as dealing with third parties, managing conflicts of interest, gifts, hospitality, and whistleblowing.
- 2.2** Ultimately, the objective of this ABAC Policy is to provide guidance for our personnel and business associates and assist them to identify and deal with bribery and corruption issues, as well as understanding their roles and responsibilities.
- 2.3** This ABAC Policy should also be read together with other policies and procedures, such as the Anti-Bribery and Corruption Framework, Employee Handbook, Employee Code of Conduct and Ethics, Whistleblowing Policy and Anti-Bribery and Corruption Manual (“**ABAC Manual**”).

3. SCOPE

This ABAC Policy applies to:

- (a) directors (both executive and non-executive), officers, employees of the Group (including permanent, part-time and contract (fixed-term) employees), and volunteers (“**Personnel**”);
- (b) any third party (person or entity) with whom the Group has, or plans to establish, some form of business relationship and include those who performs services for or on behalf of the Group. This includes actual and potential clients, customers, joint-ventures, joint-venture partners, consortium partners, outsourcing providers,

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contractors, consultants, sub-contractors, suppliers, vendors, agents, distributors, representatives, intermediaries and investors (“**Business Associates**”); and

- (c) joint-venture entities in which PPB has non-controlling interests, co-ventures and associated companies are strongly encouraged to adopt these or similar principles.

4. DEFINITIONS

For the purpose of this ABAC Policy:

- (a) **Bribery** means the act of giving or receiving ‘gratification’ in exchange for some kind of influence or action in return, that the recipient would otherwise not offer.
- (b) **Company** means PPB Group Berhad (196801000571/ 8167-W).
- (c) **Corruption** is the abuse of entrusted power for personal gain. Essentially, it is the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/ her job description.
- (d) **Facilitation Payment** is a payment or other provision made to or received personally from a third party in control of a process or decision, in order to secure or expedite a routine or administrative duty or function.
- (e) **Gratification** refers to “something of value” which includes, but not limited to money, donation, gift, loan, fee, reward, valuable security, information, property or interest in property, employment, appointment, release, forbearance, undertaking, promise, rebate, discount, services employment or contract of employment or services and agreement to give employment or render services in any capacity.
- (f) **MACC Act** means the Malaysian Anti-Corruption Commission Act 2009 (including its amendments).
- (g) **RMI Department** refers to PPB’s Risk Management & Integrity Department.
- (h) **Subsidiary** refers to company/ companies in which PPB has a controlling interest.

5. ANTI-BRIBERY AND CORRUPTION STATEMENT

5.1 The Group takes a **zero-tolerance approach** to all forms of bribery and corruption and shall continuously conduct its business activities ethically, honestly and with high standards of integrity. This also applies to the Group’s business activities in all countries worldwide.

5.2 Since the provisions in this ABAC Policy are based on legal requirements, violating this policy may subject individuals and the Group to penalties, including fines and imprisonment. Such violations may also severely damage the reputation of the Group and its Personnel. As such, Personnel and Business Associates shall not, whether directly or indirectly, offer, give, receive or solicit any item of value, in an attempt to illicitly

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influence the decisions or actions of a person in a position of trust within an organization, either for the intended benefit of the Group or the persons involved in the transaction.

- 5.3** The anti-bribery and corruption statement applies equally to the Group's business dealings with Government (public sector) and commercial (private sector) entities, and includes their directors, employees, agents, consultants, representatives and other appointed representatives such as officials, politicians and public bodies.
- 5.4** The Group shall also conduct due diligence on every Personnel (including prospective personnel), Business Associates, projects and major business activities including donations and sponsorship, in particular where there is significant exposure to bribery and corruption risk, in line with this ABAC Policy.
- 5.5** The Group encourages Personnel and Business Associates to report any suspected, attempted or actual bribery and corruption cases, and prohibits retaliation against those making reports in good faith. The Group also provides assurance that no Personnel shall be penalised or suffer any adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

6. PRINCIPLES ON ANTI-BRIBERY AND CORRUPTION

6.1 CONFLICT OF INTEREST

- 6.1.1** Conflict of interest may arise in situations where Personnel engage in business or other activities outside the Group or have personal interests, whether it benefits themselves or their closely related person(s), i.e. relatives or close associates, which competes or conflicts with the interests of the Group.
- 6.1.2** Employees must obtain written approval of their respective heads of companies before undertaking activities which may give rise to conflict of interest.
- 6.1.3** All Personnel shall declare their conflict of interest, both on a scheduled basis, and ad hoc as soon as they arise.

6.2 GIFTS AND HOSPITALITY

- 6.2.1** Generally, Personnel may accept or offer gifts and hospitality **ONLY** where they are:
- (i) infrequent;
 - (ii) reasonable and not excessive; and
 - (iii) where there is no risk that they will improperly influence or be seen to improperly influence a decision.
- 6.2.2** In addition to the above, any acceptance or offering of gifts and hospitality is subject to the authority limits as specified in the ABAC Manual.

6.2.3 GIFTS AND HOSPITALITY RECEIVED

- (a) Acceptance of gifts and hospitality is allowed provided that gifts and hospitality received shall be **modest in value** and proportionate to the position. Personnel should not accept any gift or hospitality if it could be misconstrued as a reward, an inducement or other corrupt acts.
- (b) However, under no circumstances may a Personnel, his/ her closely related person(s), i.e. spouse(s), family members, relatives or close associates accept gifts in the form of cash or cash equivalent. Cash or cash equivalents (including gift certificates, loans, commissions, coupons, discounts or any other related forms) are **STRICTLY PROHIBITED** and must never be accepted, except if it is part of a customary practice and this should be limited to a nominal value and reported to RMI Department or the relevant Chief Risk Officer of the Company or Subsidiary.
- (c) Example of gifts and hospitality that is acceptable are as follows:
- **Gifts** : corporate promotional, seasonal or festive gifts.
 - **Hospitality** : Refreshments (tea/coffee) or working lunches, which does not exceed the frequency set in the ABAC Manual.

6.2.4 GIFT AND HOSPITALITY GIVING

- (a) Personnel shall not offer or give a gift or hospitality if they are aware or suspect that it would be in breach of the rules of the organisation where the recipient works or if it is against the local laws.
- (b) The Group may give corporate gifts, i.e. bearing the Company's or the Subsidiary's logo/ identity and of nominal value for the purposes of promotions/ branding/ marketing. Any gift-giving or event of hospitality is subject to approval according to the authority limits specified in the ABAC Manual and shall fulfil the following conditions:
- They are limited, customary and lawful under the circumstances;
 - They do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions;
 - There shall be no expectation of any specific favour or improper advantages from the intended recipients;
 - The independent business judgment of the intended recipients shall not be affected;
 - There shall not be any corrupt/ criminal intent involved; and
 - The giving out of the gift and hospitality shall be done in an open and transparent manner.
- (c) Personnel from the Group must be present (as the host) when providing hospitality. Otherwise, the expenditure is considered as a gift.

6.2.5 For more information on managing gifts and hospitality, please refer to the ABAC Manual.

6.3 ENTERTAINMENT

6.3.1 Entertainment could be considered to be a bribe if it is given or received with the intention of influencing someone to act improperly, or as a reward for having acted improperly. Personnel are allowed to offer or accept entertainment and recreation, provided there is proper justification and subject to the authority limits specified in the ABAC Manual.

6.3.2 Personnel are **STRICTLY PROHIBITED** from either paying for or participating in any activities which are exorbitant, illegal and immoral such as lavish/ extravagant social functions not related to the Group's business activities or entertainment from a business associate (including potential business associate) during the procurement process which may cause the Group to be perceived in an unfavourable or negative manner .

6.3.3 Entertainment activities shall be limited to only those individuals who have a legitimate business purpose. The Group will not pay for or reimburse expenses for the said individuals closely related person(s), i.e. spouse(s), family members, relatives or close associates who do not have a legitimate business purpose with the Group.

6.4 DONATIONS AND SPONSORSHIPS

6.4.1 The Group allows charitable donations and sponsorships for legitimate reasons and as permitted by existing laws and regulations. However, the Group **STRICTLY PROHIBITS** the giving and receiving of donations and sponsorships to influence business decisions.

6.4.2 All requests for charitable donations and sponsorships are subject to a due diligence check and to the authority limits specified in the ABAC Manual.

6.5 POLITICAL DONATIONS

6.5.1 Generally, the Group **DOES NOT** make or offer monetary or in-kind political contributions to any political party, political party official or candidate running for political office.

6.5.2 The Group may **ONLY** make political contributions where such contributions are permitted under applicable law(s). The authority to approve such political contributions is with the board of directors of the Company; or the board of directors of the relevant Subsidiary(ies) in consultation with the Managing Director of PPB.

6.5.3 Any political contribution by the Company or a Subsidiary **SHALL NOT** be made with an intention to obtain or retain business or an advantage for the benefit of the Group or a Subsidiary.

6.6 FACILITATION PAYMENTS

6.6.1 Facilitation Payments are classified as acts of bribery and corruption under the MACC Act and are illegal. As such, the Group prohibits the giving, offering, or promising of Facilitation Payments of all kinds by either Personnel or Business Associates acting on

behalf of the Group. Personnel are also prohibited from receiving or requesting such payments whether in cash or in kind.

6.7 RECRUITMENT, PROMOTION AND SUPPORT OF PERSONNEL

6.7.1 The Group's recruitment, training, performance evaluation, remuneration, recognition and promotion for personnel shall be designed and regularly updated to recognize integrity. The Group shall not offer employment to prospective personnel in return for their having improperly favoured the Group in a previous role.

6.8 BUSINESS ASSOCIATES

6.8.1 The Group is committed to conducting our business in a fair, transparent and ethical manner. The Group will only do business with entities or individuals who share the same values as the Group and will uphold the Group's principle of applying high ethical standards in our business dealings.

7. ANTI-BRIBERY AND CORRUPTION COMPLIANCE FUNCTION

7.1 The Group shall maintain an independent anti-bribery and corruption compliance function through the Integrity unit within the RMI Department to oversee the design, implementation, management, and improvement of the Group's anti-bribery and corruption policies and procedures (integrity programme).

8. TRAINING AND AWARENESS

8.1 The Group shall conduct awareness programmes for all Personnel on the Group's position and practices regarding anti-bribery and corruption, integrity and ethics.

8.2 Training shall be provided on a regular basis, in accordance with the level of bribery and corruption risk related to the position and function.

9. RAISING CONCERNS (WHISTLEBLOWING)

9.1 The Group strongly encourages reporting (whistleblowing) of real or suspected cases of bribery and corruption without fear of retaliation or reprisal.

9.2 The Group has established an avenue for the reporting of bribery, corruption and other forms of misconduct, including violations of this ABAC Policy through designated secure channels, available to all Personnel and external parties including Business Associates. Details of the whistleblowing procedure are available in the Group's Whistleblowing Policy.

9.3 The Group is committed to the enforcement of this policy and provides assurance that whistleblowers will not suffer any form of retribution, victimization or detriment, so long as the reports are done in good faith (i.e. not done with malicious intent and without

substantiation in order to damage another person or organization). Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken regarding the facts, rules and procedures involved.

10. RECORD-KEEPING

10.1 The Group shall keep detailed and accurate financial and other records, and shall have appropriate internal controls in place as evidence of all payments made. The Group shall report and keep a written record of the amount and reason for gifts, hospitality and entertainment received and given, including donations, sponsorships and expenses of similar nature, and understand that such expenses are subject to management review.

11. AUDIT REVIEW AND MONITORING

11.1 The RMI Department is responsible for monitoring the adequacy and operating effectiveness of this Policy and shall review its implementation on a regular basis, including assessing its suitability, adequacy and effectiveness.

11.2 Internal control systems and procedures designed to prevent bribery and corrupt gratification are subject to regular audits to ensure that they are effective in practice.

11.3 The Group may amend this ABAC Policy at any time so as to improve its effectiveness at combatting bribery and corruption.

12. FAILURE TO COMPLY

12.1 The Group regards bribery and acts of corruption as serious matters and will impose penalties in the event of non-compliance with this policy. For Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.

12.2 For Business Associates and other external parties, non-compliance may lead to penalties including termination of contracts. Further legal action may also be taken in the event that the Group's interests have been impacted by non-compliance by individuals and organizations.

13. POLICY OWNER

13.1 This ABAC Policy is owned by the RMI Department. Any feedback or enquiries regarding the provisions of this policy should be directed to the RMI Department.

This ABAC Policy (Version 1.1) is approved by the Board of Directors of PPB Group Berhad on 27 August 2020.

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