



## **ANTI-BRIBERY AND CORRUPTION POLICY**

## **KUB ANTI-BRIBERY AND CORRUPTION POLICY**

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## 1. POLICY STATEMENT

- 1.1 The Board of Directors of KUB Malaysia Berhad, Company No. 196501000205 (6022-D) (hereinafter referred to as “**KUB**”) are committed towards the eradication of corruption in business and community interactions. On our part, this Anti-Bribery and Corruption Policy (the “Policy”) aims to affirm KUB and its subsidiaries’ (hereinafter referred to as “**KUB Group**”) stance on anti-corruption and is implemented as part of KUB Group’s internal procedures to support corruption prevention.
- 1.2 It is the policy of KUB Group and its subsidiaries to conduct all of our business in an honest and ethical manner. We will extend reciprocity in complying with our business associates’ anti-corruption policies in order that we can all move towards eradicating corruption.
- 1.3 We take a zero-tolerance approach towards bribery and corruption and are committed to acting professionally, fairly and with integrity in all our relationships and business dealings wherever we operate and to implement and enforce effective systems to counter bribery and corruption.
- 1.4 The purpose of this ABC Policy is to:
- (a) set out our responsibilities, and of those working with us, in observing and upholding our position on bribery and corruption; and
  - (b) provide information and guidance to those working with us on how to recognize and deal with bribery and corruption issues.
- 1.5 KUB Group upholds this ABC Policy very seriously throughout its business activities and expects the same from its stakeholders across all of KUB Group’s business dealings and transactions.
- 1.6 This ABC Policy shall apply to all of KUB Group’s Directors, Employees and Business Associates and other third parties working on behalf of KUB Group.
- 1.7 This ABC policy is complementary to and is to be read together with the following :
- KUB Group Management Guidelines (“KUBMag”)
  - KUB Group Code of Ethics and Conducts
  - KUB Group Procurement Policy
  - KUB Group Related Party Transaction Policies and Procedures
  - KUB Group Whistleblowing Policy
  - KUB Group Vendor Code of Business Ethics
  - KUB Group Employees’ Handbook
  - KUB Group Risk Management Framework
  - Malaysian Anti-Corruption Commission Act 2009 and its amendment
  - National Centre For Governance, Integrity and Anti-Corruption (GIACC) – Guidelines on Adequate Procedures

## 2. WHO IS COVERED BY THE ABC POLICY

- 2.1 This ABC Policy applies to KUB Group's Directors, Employees and Business Associates and other third parties working on behalf of KUB Group, unless otherwise is stated in the specific policies referred to in this ABC Policy.
- 2.2 Business Associates and any third parties having a business relationship with KUB Group are expected to strictly adhere to this ABC Policy.
- 2.3 KUB Group treats any violation of this ABC Policy seriously and will undertake necessary actions including but not limited to, a review of employment, appointment or business arrangements which may lead to disciplinary actions, dismissal, cessation of business relationship and/ or reporting to the authorities, consistent with the applicable laws and regulations.
- 2.4 Each Head of Company in the KUB Group are responsible to communicate with his or her subordinates and ensure their compliance to this ABC Policy within their respective business units.
- 2.5 All Employees, regardless of their positions or roles, are responsible to communicate this ABC Policy to their Business Associates.

## 3. DEFINITIONS

The following definitions and interpretations shall apply to this ABC Policy: -

- **"Business Associate"** refers to an external party with whom KUB Group has or plans to establish some form of business relationship. This includes joint ventures entities, joint venture partners, consortium partners, associate companies, business partners, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors;
- **"Corruption"** 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 ("MACC Act").

In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

- **"Directors"** include all independent and non-independent directors, executive and non-executive directors of KUB Group and shall also include alternate directors;
- **"Employees"** shall mean all full-time, part-time, probationary, contract and temporary employees of KUB Group;
- **"Gratification"** shall have the meaning as defined under Section 3 of the MACC Act: -
  - (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether moveable or immoveable, 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;

### 3. DEFINITIONS (CONT'D)

- (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);
- **"GMD"** shall mean the Group Managing Director of KUB Malaysia Berhad;
  - **"Integrity Committee"** shall comprise of the Group Managing Director, Head of Group Finance, Head of Group Legal and Head of Group Human Resources and Administration or as determined by the KUB Board from time to time.

### 4. WHAT IS BRIBERY

- 4.1 Bribery refers to the act of corruptly offering, promising, giving, agreeing to give, soliciting, receiving or agreeing to receive any gratification as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.
- 4.2 Bribery may be 'outbound', where someone acting on behalf of the Group attempts to influence the actions of someone external, such as Government official or client decision-maker.
- 4.3 It may also be 'inbound', where an external party is attempting to influence someone within the Group such as a decision-maker or someone with access to confidential information.
- 4.4 Gratification can be either for the benefit of that person or another person.
- 4.5 The Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") prohibits a person or a commercial organisation from giving and receiving bribes, including from agents or persons associated (which includes companies) with the commercial organisation. Please refer to Section 16, Section 17 and Section 17A of the MACC Act.
- 4.6 As such, all Directors, Employees and Business Associates are required to exercise a level of prudent discretion in every situation to assess if there is a risk or suspicion of a gratification being offered or received, especially in situations which could influence or be perceived to influence the outcome of any business decision. If any Director, Employee or Business Associate is in any doubt whether or not any action will amount to a breach of this Policy and of anti-corruption laws, then he or she should seek immediate advice and guidance from the Integrity Committee.

## 5. GIFTS, HOSPITALITY AND TRAVEL

### 5.1 Gifts

#### 5.1.1 Giving or Providing Gifts

- (a) Gifts include tangible gifts such as but not limited to cash, food hampers, flowers, pens, caps, t-shirts, mugs, calendars, bags, key chain and diaries, and intangible gifts such as but not limited to product discount, services, advantages or any other benefit.
- (b) All Directors and Employees of KUB Group including their family members are not allowed to give gifts to Business Associates and any third parties of KUB Group.
- (c) Corporate gifts are allowed to be given to Business Associates and third parties provided they fall within the following exceptions: -
  - (i) a gift is worth less than RM500 per item, features KUB Group's logo or brand (e.g. diaries, calendars, lanyards, pens etc) and is part of a marketing or promotional campaign;
  - (ii) the gift is given/ exchanged at a company-to-company level (e.g. for official events or launches);
  - (iii) the gift is a token of appreciation at an official function or public event (e.g. door gifts at conferences, open house etc); and
  - (iv) the gift is given as part of KUB Group's corporate social responsibility ("CSR") program.
- (d) Corporate gifts must not be provided to the same recipient for more than three (3) times a year.
- (e) Any request for gifts within the policy threshold shall require approval of Head of Company or GMD. Any exceeding threshold request shall be reviewed by Integrity Committee and approved by GMD.

#### 5.1.2 Soliciting or Receiving Gifts

- (a) If a Director or an Employee or their family members are offered any gift outside office premises from a Business Associate or any third parties with whom KUB Group conducts business with, it must be declined and reported to the Integrity Committee for further action.
- (b) If the gift cannot be declined or has been received and cannot be returned, the Director or the Employee must surrender the gift to the Integrity Committee who will then determine whether the gift should be shared among the Employees, display the gift in public or be disposed of or given away in any manner.
- (c) The decision pertaining to the treatment of the gifts, shall be documented by the Integrity Committee in the Gift Reporting Form as per Appendix B.
- (d) Gifts which are allowed should only be received in connection with a customary business or cultural occasion (e.g. festive gifts such as food hampers, dates or oranges during Hari Raya and Chinese New Year and this must be distributed among the Employees) and the value of each gift received must not exceed RM200 and must not occur more than three (3) times a year.

## **5. GIFTS, HOSPITALITY AND TRAVEL (CONT'D)**

### **5.2 Hospitality (Meal and Entertainment)**

- 5.2.1 Directors and Employees may accept hospitality of Business Associates for providing and paying for light meals, coffee, tea, soft drinks during a meeting or discussion.
- 5.2.2 No hospitality should be accepted or offered if it could be perceived to be lavish, improper, excessive and not in proportion to the income of the recipient.
- 5.2.3 Directors and certain Employees of KUB Group are allowed to offer meals or entertainment to Business Associates and third parties engaged with KUB Group so long as they fall within the following exceptions: -
  - (a) it is purely business related;
  - (b) it is not for spouses and other non-business guests;
  - (c) it is infrequent;
  - (d) the cost is appropriate and not lavish which it will not create the appearance of (or an implied obligation) that the provider is entitled to preferential treatment; and
  - (e) must be pre-approved by the Head of Company / GMD

As a Director, he/she must consult the Chairman of the Board prior to accepting/providing hospitality from/to the Business Associates.

- 5.2.4 Directors and employees may participate in normal and non-frequent business entertainment with Business Associates such as sporting events, with the purpose of fostering better business relations, provided the cost of such entertainment is paid or shared by KUB Group or approved by the GMD or for a director, the Chairman of the Board.

### **5.3 Travel**

- 5.3.1 Any travel arrangements for government officials or Business Associates must never be made with the expectation of return or with the intention of influencing someone to act improperly or as a reward for having acted improperly.
- 5.3.2 Reasonable travel arrangements for government officials, business partners or customers must be pre-approved by GMD. Reasonable meeting, travel or accommodation expenses are permitted if: -
  - (a) a bona fide business expense (i.e. within the normal scope of the business);
  - (b) related to the promotion, demonstration or explanation of products or needed for the performance of a contract, and
  - (c) only for persons directly related to the business (e.g. not spouses, relatives, etc.).

## **6 DONATIONS, SPONSORSHIP & CORPORATE SOCIAL RESPONSIBILITY**

- 6.1 Donations (including political donations), sponsorship and corporate social responsibility activities must never be made with the expectation of return or with the intention of influencing someone to act improperly or as a reward for having acted improperly.
- 6.2 Donations (including political donations), sponsorship and corporate social responsibility activities will be assessed by Integrity Committee and approved by the Group Managing Director/Chairman by considering various aspects such as objectives, the intended recipient and if there is any conflict of interest.

## **7 BUSINESS ASSOCIATES, THIRD PARTIES & PROSPECT EMPLOYEES**

- 7.1 All Business Associates of KUB Group are required to comply with this ABC Policy and other relevant policies of KUB Group.
- 7.2 All dealings must be carried out in accordance with KUB Group's policies and procedures. This would include the conduct of due diligence check before entering into any business relationship.
- 7.3 Periodic review of Business Associates and third parties are conducted to check whether anti-bribery and corruption controls are effective for the existing relationship with KUB Group to continue.
- 7.4 All prospect Employees are required to comply with this ABC Policy and other relevant policies of KUB Group.
- 7.5 KUB Group will undertake due diligence on prospect Employees prior to any hiring. KUB will provide training of this ABC Policy to the new Employees in order to ensure that all Employees understand the importance of combating bribery.
- 7.6 Due diligence may include a search through relevant databases and certain publicly available information and documenting the reasons for choosing one particular Business Associate over another.
- 7.7 The Group shall endeavor to include clauses in all contracts enabling the Group to terminate any contract in which bribery or corruption has been observed.

## **8 MONEY LAUNDERING**

- 8.1 KUB Group prohibits the practices related to money laundering, including dealing in the proceed of criminal activities.
- 8.2 Money laundering is defined as the occurrence when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.
- 8.3 In minimising the risk of involvement, KUB Group emphasise on due diligence to understand the business and background of KUB Group's Business Associates to determine the origin and destination of money, property and services.
- 8.4 KUB Group's internal control includes verification to ensure no dealing with any entity, organisation or individual prescribed by the government or international body due to its known or suspected terrorist links.



## **8 MONEY LAUNDERING (CONT'D)**

- 8.5 Employees that are particularly involved in financial transactions with the counterparties are equipped with skills through adequate training and awareness programme and also acquainted with the applicable laws and regulations related to money laundering.
- 8.6 Directors and Employees shall report any irregularities of fund source and suspicious transactions in aiding illegal and terrorist activities to the Integrity Committee for subsequent reporting to the relevant authorities.

## **9 FACILITATION PAYMENTS**

- 9.1 KUB Group prohibits its Directors, Employees and Business Associates from making an offer or making a promise to accept or request or obtain, either directly or indirectly (through a third party), facilitation payments from any person.
- 9.2 Facilitation payments are typically payments made to an individual in control of a process or decision in order to secure or expedite a routine or administrative duty or function.
- 9.3 Directors and/ or Employees who received requests for facilitation of payment from local or foreign public official, must take reasonable steps to verify the legitimacy of payment.
- 9.4 Employees are expected to notify their Head of Company and Integrity Committee when encountered with any requests for a facilitation payment. In the event the employees have made a facilitation payment under situations not realising its illegitimacy, or where the payment was made so as to safeguard own, or another person's life or liberty, he/she must as soon as possible make a statement of the incident and report to the Head of Company and Integrity Committee.
- 9.5 Receipts which details the reason for the payments must be kept and recorded transparently.

## **10 FINANCIAL CONTROLS AND RECORD KEEPING PROCEDURES**

- 10.1 The Group adopts segregation of duties for all job junctions (i.e., financial and non-financial related). Designated personnel for preparing, verifying and approving each transaction / activity is documented in written procedures as provided in Section 1.7 and communicated to employees of the Group for adherence.
- 10.2 KUB Group keeps financial records in place which will evidence any business reasons for making payments to Business Associates and other third parties and that the transactions were made bona fide and were not made with a corrupt or unethical intent.
- 10.3 All Directors and Employees must also ensure that all expenses claims relating to gifts, hospitality and travel incurred for the benefit of Business Associates and other third parties are submitted in accordance with this policy and all documents shall be maintained with Finance Department of each Company.
- 10.4 Finance Department will provide a detailed report of expenses incurred in relation to gift, hospitality, travel, donation, sponsorship and corporate social responsibility to the Integrity Committee on a quarterly basis for review and monitoring purposes.

## **11 CONFLICT OF INTEREST**

- 11.1 Conflict of interest situations arise when personal interest interfere with the ability of Directors and/ or Employees to act in the best interest of KUB Group.
- 11.2 Conflict of interest does not necessarily involve improper or corrupt behaviour, although it may lead to such behaviour.
- 11.3 All Directors, Employees and Business Associates are required to declare any actual, potential or perceived conflict of interest to the Integrity Committee by completing the Conflicts of Interest Declaration Form and shall remove or withdraw himself or herself from the decision-making process or other situations giving rise to the conflict of interest. This is to ensure that all decisions made on behalf of KUB Group are based on an objective and fair assessment without being impacted by personal interest.

## **12 RESPONSIBILITIES OF DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES**

- 12.1 All Directors, Employees and Business Associates are responsible for understanding and complying this ABC Policy and all applicable laws and the policies and procedures of KUB Group.
- 12.2 Any instance of actual or suspected violation of this ABC Policy and all applicable laws and the policies and procedures of KUB Group shall be through the whistleblowing channel set out under KUB Group's Whistleblowing Policy.
- 12.3 The Group regards bribery and corruption as a serious matter. Any violation of this ABC Policy and all applicable laws and the policies and procedures of KUB Group will be dealt with seriously including but not limited to a review of employment, appointment or business arrangements which may lead to disciplinary actions, reprimand, suspension, dismissal, termination of business relationship, blacklisting and/ or reporting to the authorities consistent with the applicable laws and regulations.
- 12.4 All Directors, Employees and Business Associates are encouraged to raise concerns or report any inadequacy of this ABC Policy or KUB's anti-corruption compliance programme to the Integrity Committee.
- 12.5 KUB Group is committed to ensuring that no one suffers any reprisal as a result 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. All reports will be treated confidentially.
- 12.6 All Directors, Employees and Business Associates shall certify in writing that they have read, understood and abide by this KUB ABC Policy as per Appendix A.

## **13 ANTI-BRIBERY & CORRUPTION COMMITTEE FUNCTION**

- 13.1 Integrity Committee shall have an oversight to the implementation of anti-bribery and corruption controls related to this policy.
- 13.2 Integrity Committee shall conduct corruption risk assessments periodically to identify the bribery and corruption risks potentially affecting KUB Group. Integrity Committee shall also review the suitability of this ABC Policy from time to time, taking into account the latest developments in the legislation as well as the evolvement of industry and international standards.

### **13 ANTI-BRIBERY & CORRUPTION COMMITTEE FUNCTION (CONT'D)**

- 13.3 Integrity Committee shall be an independent authority and empowered to act against misconduct, bribery and corruption, including conducting investigations whenever required based on reasonable cause or suspicions.
- 13.4 Integrity Committee shall implement and effectively manage routine anti-bribery and anti-corruption measures as deemed appropriate to ring-fence KUB Group against possible legislative liabilities, as well as undertake ad-hoc measures deemed necessary based on circumstantial requirements arising during the course of operations.
- 13.5 The Integrity Committee shall ensure that the results of any audit, reviews of risk assessment, control measures and performance are reported to the Board of Directors of KUB.

### **14 TRAINING AND AWARENESS**

- 14.1 The Group conducts awareness programmes for all Employees to refresh awareness of anti-bribery and anti-corruption measures, and to continuously promulgate integrity and ethics.
- 14.2 Trainings shall be provided to Directors or Employees who are :
  - a) New to the Company; and
  - b) Employees currently holding / promoted / transferred to exposed position; and
  - c) Board and top management
- 14.3 The Integrity Committee may at any time recommend that certain trainings be repeated to any Employee / Group of Employees in any operating unit if deemed necessary based on circumstantial requirements.
- 14.4 Group Human Resources shall maintain all records of trainings in collaboration with Integrity Committee.

### **15 REVIEW AND CONTINUOUS IMPROVEMENT**

- 15.1 The Integrity Committee endeavours to monitor the effectiveness of this ABC Policy and to develop the integrity measures which will lead to the certification of KUB Group's anti-bribery and corruption procedures as adequate.
- 15.2 This ABC Policy will be reviewed from time-to-time, and at least once every three years.



## DECLARATION OF COMPLIANCE

I, \_\_\_\_\_ hereby confirm that I have read and understood the KUB Group's Anti-Bribery and Corruption Policy ("**ABC Policy**").

I also understand my responsibility to immediately report any actual or suspected violation of this ABC Policy.

I acknowledge that any violation of this ABC Policy and all applicable laws and the policies and procedures of KUB Group by me will be dealt with seriously including but not limited to a review of employment, appointment or business arrangements which (where applicable) may lead to disciplinary actions, reprimand, suspension, dismissal, termination of business relationship, blacklisting and/ or reporting to the authorities consistent with the applicable laws and regulations.

**Name:** \_\_\_\_\_

**NRIC:** \_\_\_\_\_

**Company/  
Department:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_



|                              |
|------------------------------|
| <h2>GIFT REPORTING FORM</h2> |
|------------------------------|

**EMPLOYEE DETAILS :**

Name :  
Designation :  
Div/Dept/Unit :  
Company :

**GIFT INFORMATION :**

Received from :  
Received Date :  
Description of Gift :  
Reason :

**Fair value of gift : RM....**

**RECIPIENT DECLARATION :**

I hereby declare that all of the above information given is true and correct at the time of the gift received.

I further acknowledge that the gift received is in accordance with MACC Act 2009 and aligned with KUB Malaysia Berhad Anti-Bribery and Corruption Policy.

.....  
Date :

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**INTEGRITY COMMITTEE SECTION**

**Name :**

**Comments :**

**Date :**

**ACCEPTED | NOT**