



PCCS Group Berhad
Reg. No. 199301026191 (280929-K)

Anti-Bribery and Anti-Corruption Policy

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1. INTRODUCTION

- 1.1 PCCS Group Berhad (“Company”) and its subsidiaries (“Group”) are committed to conduct business with honesty, integrity and ethics in all business dealings and all jurisdictions in which the Group operates in.
- 1.2 This commitment is embodied in the Group’s Code of Conduct & Ethics Policy and this Anti-Bribery and Anti-Corruption Policy (“Policy”).
- 1.3 Adherence to the guidelines set out in this Policy will ensure that the Group and the employees comply with anti-bribery and anti-corruption laws and governmental guidance.

2. POLICY STATEMENT

- 2.1 Bribery is a serious criminal offense in countries in which the Group operates. As part of the commitment to upholding the highest legal, moral and ethical business practices, THE Group takes a zero-tolerance approach to bribery and corruption.
- 2.2 Group does not permit any direct or indirect offer (payments through Associate Parties), payment, solicitation or acceptance of any improper payments (bribes, kickbacks or facilitation payment) in any form in connection with the Group’s business dealings or activities.
- 2.3 This Policy applies across all jurisdictions in which the Group operates and to all employees and all intermediaries or any third parties, who represent the Group.
- 2.4 This policy does not preclude reasonable and appropriate hospitality designed to encourage constructive relationships with Group’s customers, prospects and other parties rather than influence a particular decision.
- 2.5 Group maintains detailed and accurate books and records and a system of internal controls that ensure all financial transactions are properly authorised and executed.
- 2.6 All individuals to whom this Policy applies have a responsibility to comply with this Policy and a duty to disclose non-compliance with this Policy without fear of victimization through established reporting procedures.

- 2.7 Any employee who fails to comply with this Policy, whether intentionally or by an act of negligence can lead to disciplinary action being taken that could ultimately result in termination of employment.
- 2.8 Breach of the laws in relation to this Policy could also result in civil or criminal proceedings. In relation to intermediaries or third parties who are non-Group employees, failure to comply with this Policy will result in a notification to the service provider and/or any applicable authority to take appropriate remedial action, which may include but not limit to reimbursement for expenses incurred and contract termination.

3. PURPOSE

3.1 The purpose of this Policy is to:

- Comply with the design of the law to combat bribery and corruption in which the Group is based and operates in;
- Outline the principles and behaviours required to support this commitment; and
- Outline responsibilities of directors, management, employees, consultants, suppliers and any other parties acting as representatives or agents of the Group in observing and upholding the Group's position on bribery and corruption;
- To create a working environment that practices integrity work culture to enhance the trust and confidence of the Group's stakeholders.

4. SCOPE AND APPLICATION

4.1 This Policy applies to the following parties:

- Directors, management, employees including trainee, intern, temporary, probation or contract staff of the Group ("**Employees**"); and
- Any individual or organization that an associate may come into contact during the course of his/her engagement with the Group, which may include but not limited to suppliers, buyers, sub-contractors, consultants, intermediaries, advisors, third-party service providers or any other person associated with or acting on behalf of the Group ("**Associated Parties**").

5. RELEVANT LAW

- 5.1 Anti-bribery laws exist in most countries around the world. The legal obligations underlying this Policy are The Malaysian Anti-Corruption Commission Act 2009 (“Act”), the anti-corruption laws of the country in which Group is based and operates in.
- 5.2 To the extent that the applicable laws of a country in which the Group conducts business conflict with or impose a higher standard than this Policy, the appropriate laws must be complied with.

6. DEFINITIONS

- 6.1 Bribery is the offer, promise or receipt of any gift, hospitality, loan, commissions, fee, reward, entertainment or other advantages to someone in business or government, directly or indirectly, with the intention of influencing or rewarding the behaviour of someone to obtain or retain a commercial advantage. Bribery can also take place where the offer or giving of a bribe is made by or through a third party i.e. an agent, representative or intermediary;
- 6.2 “Bribe” or a “Gratification” as defined in the Malaysian Anti-Corruption Commission Act 2009 is:
- 6.2.1. Money, donation, gift, loan, fee, reward, valuable security, property or interest in a property being the property of any description whether movable or immovable, financial benefit, or any other similar advantage;
 - 6.2.2. Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
 - 6.2.3. Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
 - 6.2.4. Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
 - 6.2.5. Any forbearance to demand any money or money’s worth or valuable thing;

- 6.2.6. 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
- 6.2.7. Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (6.2.1) to (6.2.6).

7. GIFTS, ENTERTAINMENT AND HOSPITALITY

7.1 Gifts, entertainment or hospitality for the purposes of this policy to a certain extent, do not constitute anything of value. Giving or receiving gifts or hospitality may foster goodwill in business relationships. Group permits receiving and providing appropriate gifts, entertainment and hospitality in the following situations:

- For a genuine purpose;
- Strictly limited in value and frequency;
- Given in the ordinary course of business;
- Conscientiously maintain the highest degree of integrity;
- Always exercise proper care and judgment;
- Avoid conflicts of interest;
- Not made with the intention of influencing a Third Party to obtain / retain business or provide a business advantage or as in explicit or implicit exchange for favours / benefits; and
- Comply with all applicable laws and regulations, including the recipient's own rules.

7.2 Gifts are benefits of any kind given to someone as a sign of appreciation or friendship without expectation of receiving anything in return. They include "courtesy gifts" which are small gifts given at culturally recognized occasions i.e. weddings, funerals or special times of the year i.e. New Year, Christmas.

7.3 Entertainment generally includes attendance at plays, tickets to social entertainment such as concerts and sporting events.

7.4 Hospitality generally includes the provision of friendly reception such as refreshments, meals and accommodation.

7.5 Gifts that are below RM200.00 (or currencies equivalent to) is generally acceptable. Employees are expected to record all gifts received in the Gifts Register (“**Register**”) or any other form as provided by Human Resource & Admin Department (“**HRA**”). The Register is a document maintained by HRA that provides information about all gifts given or received by Employees and Associate Parties. For the acceptance of gifts, HRA to decide whether to retain by individual dept or surrender to Group.

7.6 Employees must always seek prior approval from General Manager (“**GM**”) or above before accepting or offering:

Category	Threshold	Group Malaysia	Subsidiaries not operating in Malaysia
Gift	Above RM200.00 (or currencies equivalent to > RM200.00)	If accept or offer, need to record in the gift register as provided by HRA. For the acceptance of gifts, HRA to decide whether to retain by individual dept or surrender to Group Management Office (“ GMO ”)	If accept or offer, need to record in the gift register as provided by HRA. For the acceptance of gifts, GM of subsidiary to decide whether to retain by individual dept or surrender to GMO
Entertainment/hospitality	Above RM500.00 (or currencies equivalent to >RM500.00)per individual	Approval by Group Managing Director / Cluster Head	Approval by Group Managing Director / Cluster Head

7.7 GM or above should also consider the frequency and appropriateness of timing when approving expenses even when a particular gift or hospitality/entertainment proposal does not exceed the approval threshold.

7.8 Modest gifts and hospitality may usually be offered or accepted provided there is no expectation or belief that something will be given in return. A gift designed to secure a return favour could be seen as a bribe. For the avoidance of doubt, modest business courtesies, modest gifts and hospitality that are acceptable and will not require approval may include:

- Small gifts, including gifts of nominal value such as diaries, calendars, pens and other small promotional items i.e. samples;
 - Occasional modest meals with people with whom the Employees conduct business; and
 - Common courtesies such as drinks or modest refreshments provided at Group or a third party's premises in connection with a legitimate business meeting.
- 7.9 If Employees received an unexpected gift or hospitality that appears to exceed the approval limits, the Employee must declare the item to his/her superior after the event. In respect of the gift, the Employee may be required to return it, surrender it to Group or give it to charity if it is not considered appropriate to retain it. When in doubt, Employees should consult the HRA department.
- 7.10 Providing gifts and hospitality/entertainment that are below the approval thresholds are subject to the Group's expense approval process and will not be approved if the relevant approver considers the expense to have been inappropriate. Such instances will be reported to the Corporate Controller via written instrument.
- 7.11 All receiving of gifts and hospitality which require approval will be fully documented in the Register established for such purpose.
- 7.12 Employees must ensure that gifts or hospitality is being provided openly and transparently, commensurate with generally acceptable standards for hospitality taking into account the norms of the industry and within the value limits set by the Group and has all required approvals. The intention behind the gifts or hospitality must always be considered and it must never be for the purpose of improperly influencing a person in the exercise of their duty.
- 7.13 Employees should be aware that offering or receiving gifts or benefits of any value, at a sensitive time in a business relationship i.e. when a tender or transaction is in a key phase is not appropriate and should not be made. If a gift is offered in exchange for business, discounts, services, or anything intended to influence the business judgment, all employees and Associate Parties must decline the offer and report to Group immediately.
- 7.14 This requirement extends to the provision or acceptance of gifts or hospitality/entertainment through any Associate Parties or to or by family members of an employee of an actual or a potential customer. In addition, the Employee must not directly or indirectly provide gifts, hospitality (other

than appropriate hospitality) or any advantages to or for the benefit of potential customers or government officials, their relatives or other intermediaries.

7.15 Employees should use their own good judgement when receiving gifts and entertainment, taking account of this policy and within relevant authority limits in the Group Limit of Authority (LOA).

7.16 Gifts and hospitality shall not be accepted if it involves the following:

- That is illegal, untimely, inappropriate or unethical;
- That involves cash or cash equivalent i.e. vouchers, discounts, coupons, commission, loan, shares or stock options;
- That is perceived to unfairly influence a business relationship;
- That involves parties engaged in a tender or competitive bidding exercise;
- That comes with a direct/ indirect suggestion, hint, understanding or implication;
- That in return for the gift, some expected or desired outcome is required (“quid pro quo”);
- That is in breach of any local or foreign law or regulation;
- That is lavish or excessive e.g. value above the maximum threshold permitted;
- (Clause 7.6) or may adversely affect the reputation of Group;
- That the recipient is not permitted to receive by their employer;
- Employees must never pay on their personal account for gifts or hospitality in order to avoid this Policy; and
- When determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, Employees are encouraged to discuss the issue with their GM or above.

8. TRAVEL

8.1 All personnel may accept lodging and other expenses (e.g. food, transportation) provided by Counterparties, Associate Parties or other stakeholders within the host country if the trip is for business purposes and prior approval has been obtained from Group Managing Director. The cost of travelling to the host country must be borne by Group itself.

8.2 Unless prohibited by law or the policy of the recipient organisation, Group may bear the costs of transportation and lodging for Counterparties, Associate Parties or other stakeholders in connection with a visit to the

Group's facility. The visit must be for a legitimate business purpose e.g. conferences and meetings, contract negotiations or training. Prior approval from the Group Managing Director must be obtained.

9. CHARITABLE DONATIONS AND SPONSORSHIP

9.1 As part of Group corporate citizenship initiatives, Group supports a number of charitable causes by making donations, whether by way of cash payments.

9.2 Any donations and sponsorship on behalf of Group must be transparent and for a legitimate purpose, given through legal and proper channels. Care should be taken to ensure that recipient charity or sponsored organisations on receiving end are bona fide bodies, able to manage the funds properly and any funds are not diverted to other beneficiaries.

9.3 All personnel should also avoid situations where conflicts of interest could arise from making donations or sponsorships. Beware of making contributions to charities or sponsored organisations that may have links to government officials or their families, as this could be seen as an act to influence the official's decision in gaining benefit to Group.

9.4 Group will not sponsor events or activities that are:

- Not aligned with the Group's values and Code of Conduct & Ethics;
- Associated Group with an event, individual or other organizations that could bring Group into disrepute.

9.5 All charitable donations and sponsorships must be approved in accordance with the authority limits in Group Limits of Authority ("LOA") via Corporate Social Responsibilities, Donation and Sponsorship Form.

9.6 The Group shall keep accurate records of all donations made by Group.

10. PUBLIC OFFICIALS

10.1 The principles of this policy apply to dealings across both public and private sectors, dealing with Public Officials required particular care because Public Officials are often subject to stricter rules and restrictions that do not apply to individuals who operate in the private sector.

10.2 Public Officials include those in government departments, employees of government-owned or controlled commercial enterprises, public

international organisations i.e. United Nation, political parties and political candidates for a political office, any person acting in an official capacity for or on behalf of a government or a government department, government agency, or of a public international organization and any other person who is considered to be a public official according to applicable laws and regulations.

10.3 Any dealing with Public Officials must be in strict compliance with the rules and regulations to which they are subject or that have been imposed by their employer.

10.4 Any benefit conveyed to a Public Official must be transparent, reasonable, appropriate and only for legitimate business purposes.

10.5 All costs and expenses related to Public Officials must be properly documented and accurately recorded.

10.6 Approval from the Group Managing Director is required prior to offering a gift or hospitality to any Public Officials in relation to:

- Paying or reimbursing travel, hospitality or entertainment expenses i.e. airfares, meals or hotel bills;
- Making gifts; and
- Making charitable contributions.

11. ASSOCIATE PARTIES

11.1 Group could be held criminally liable if Associate Parties do not follow ethical business practices when acting on Group's behalf.

11.2 Employees should seek to ensure that any Associate Parties that are hired will not offer, make, solicit or receive improper payment on behalf of the Group. Before engaging Associate Parties, Employees should ensure:

- There is a legitimate need for the goods or services that they provide;
- The Associate Parties is appropriate for the role (by reference to their expertise and any possible conflict of interest);
- The services and goods are priced at no more than market value; and
- There is a written contract or other written document with a similar legal effect i.e. Purchase Order.

- 11.3 It is the employee's responsibility to communicate this Policy to Associate Parties engaged and represent the Group interest. They will be abided by the Group Code of Conduct & Ethics and the principle set out in this policy when working on the Group's behalf. If those principles are breached, the Group will reserve the right to terminate the agreement or contract.
- 11.4 Before engaging a Third Party, Employees are responsible for assessing risk level and applying relevant due diligence procedures prior to and during the appointment. There may be circumstances which suggest the Associate Parties may pose a high corruption risk, the Employees should consult with their manager to assess whether there is a need for enhanced due diligence and monitoring, or whether a proposed relationship should not proceed.
- 11.5 Employees should not enter into any business dealings with any third party if he/she reasonably suspects of Third Party engaging in bribery and improper business practices unless those suspicious are investigated and resolved.
- 11.6 Employees shall be responsible for ensuring commission or other payments to Associate Parties under an approved contract or agreement are properly recorded, approved and paid in accordance with the contracts or agreements and any other legal requirements.
- 11.7 All payments to Associate Parties must be made by direct bank transfer (not to any third party) into the country in which the Associate Parties has its principal place of business or performs substantial services on behalf of the Group. Any request for payment not directly to the Associate Parties or in a manner that is not in accordance with this Policy must be approved by the Group Managing Director.

12. RECORD KEEPING

- 12.1 All payment and expenses, including those related to gifts, hospitality/entertainment as well as sponsorship and donations made to third parties must be ensured that are submitted in accordance with the Group's reimbursement procedures and must be accurately and transparently recorded to reflect the nature and purpose of the activity.
- 12.2 All documents, accounts and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.

12.3 Approval documents must be accurately recorded for verification of internal and external auditors.

12.4 All applicable control and approval procedures must be followed.

13. MONITORING AND REVIEW

13.1 The Board of Directors (Board) has ultimate responsibility for ensuring this policy complies with the Group's legal and ethical obligations.

13.2 It is the responsibility of every HOD to implement this Policy within his/her area of function and provide guidance to staff reporting to him/her.

13.3 The Audit Committee (“AC”) will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. A thorough review shall be conducted at least once every three years.

13.4 Internal control systems and procedures designed to prevent bribery and corruption will be subject to regular audits by Internal Auditor to provide assurance that they are effective in countering bribery and corruption.

13.5 Any Employees who breach this Policy will lead to disciplinary and other actions up to and including termination of employment.

14. TRAINING AND COMMUNICATION

14.1 This Policy shall be communicated to all directors and employees and be published on the PCCS Group’s website.

14.2 Dissemination of this Policy for new employees will be carried out at the time of induction.

14.3 HOD should ensure that this Policy and subsequent applicable amendments are properly communicated and implemented, as they are updated from time to time and that the Employees working for him/her and Associate Parties within his/her responsibility are familiar with and observed the requirements included in this Policy.

14.4 This Policy should be communicated to the Associate Parties at the beginning of a business relationship with them and as appropriate thereafter. Associate Parties are required to adhere to Group Associate Parties Anti-Corruption Policy at the outset of a business relationship.

15. REPORTING SUSPICIOUS ACTIVITIES

- 15.1 Any Employee who believes or suspects that a potential breach of this Policy is required to report to their HOD or above at first instance.
- 15.2 However, where an employee feels uncomfortable in raising their concern in this manner, wish to remain anonymous or unsatisfied with the response received, the concern can be raised using the procedures provided for in the Group Whistleblowing Policy, a copy of detailed procedures on whistleblowing can be obtained from Human Resource & Admin Department or at Group's web page.
- 15.3 Group will not tolerate retaliation in any form against anyone for raising a concern or reporting any improper, unethical or inappropriate behaviour.
- 15.4 Group is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this Policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

16. EMPLOYEE'S DECLARATION

- 16.1 HOD and above have completed the declaration to confirm that they have a clear understanding of this policy and regulation and hold the responsibility to inform, educate and train the employees who are reporting to them in order to understand and adhere to the code of ethics in complied with this policy.

17. FEEDBACK AND FURTHER CONTRIBUTIONS TO THE POLICY

- 17.1 Employees and Associate Parties may feedback on the content of the Anti-Bribery and Anti-Corruption Policy, and further contribution of case studies illustrating good practices for implementing anti-bribery and corruption ethics and compliance programmes and measures.

18. Language

- 18.1 This policy has been written in the English language. It may be translated, for convenience, into other languages. However, in case of error or disagreement, the executed English language version shall prevail.