Sungei Bagan Rubber Company (Malaya) Berhad

Anti-Bribery & Anti-Corruption

POLICY & GUIDELINES

POLICY AND GUIDELINES			
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1.0 Introduction

1.1. General Information

The Anti-Bribery & Anti-Corruption ("ABAC") Policy & Guidelines (here-in-after referred to as "Policy & Guidelines") defines the policies and procedures for Sungei Bagan Rubber Company (Malaya) Berhad ("Sungei Bagan" or "the Company"). References to the Company in this Policy & Guidelines include its subsidiaries. Rules (including Circulars and Letters) from the regulators shall automatically supersede the existing operating policies and procedures herein stated.

The main objectives of this Policy & Guidelines are as follows:

- To ensure the policies and guidelines or practices are oriented towards embedding ABAC stance organisation wide, with guidance from Guideline on Adequate Procedures pursuant to subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) ("MACC Act 2009"), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Amendment Act 2018");
- To ensure adequate and standardised ABAC policies and guidelines are consistently applied throughout the Company for its employees and/or any person(s) associated with the Company; and
- To ensure that business operations within the Company are strictly adhering to the ABAC Policy & Guidelines to prevent the occurrence of corrupt practices.

The Policy & Guidelines are applicable to the following stakeholders:

a. Directors of Sungei Bagan, both executive and non-executive, unless otherwise stated in this Policy & Guidelines;
b. All employees within the Company; and
c. Suppliers, sub-contractors, consultants, agents, representatives and any person(s) performing work or services for or on behalf of the Company.

It is the intention of Board of Directors ("the BOD") of Sungei Bagan to ensure that these procedures serve as our commitment to prohibit bribery and corruption in the business conduct within the Company.

This ABAC Policy is developed in adherence to the T.R.U.S.T Principles ("Principles") under the Guidelines on Adequate Procedures pursuant to section 17A(5) of the MACC Act. While it serves as a defence mechanism against corporate liability, it is above all a reflection of the Company's unwavering commitment to combat bribery and corruption and to uphold the highest standards of integrity, transparency and good governance in all business dealings.

The Principles are summarized as follows: -

Principle		Reference
T	Top Level Commitment The Company plays a critical role in establishing a strong anti-bribery and anti-corruption culture by setting the tone from the top, ensuring compliance with laws and	Section 3.1

	actively supporting the development and communication of all policies. This includes pledging a zero-tolerance stance against any corrupt practices, creating clear procedures, reporting mechanisms and being informed of any breaches in order to monitor and uphold high ethical standards across the Company.	
R	Risk Assessment Regular risk assessments are vital for developing effective anti-bribery and anti-corruption measures and keeping them relevant in a fast-changing business environment.	Section 4.0
U	Undertake Control Measures Implementing control measures such as conducting due diligence exercises to address anti-bribery and anti-corruption risks in the Company at all levels and ensuing proper reporting channels are in place.	Sections 5.0 to 8.0
S	Systematic Review, Monitoring and Enforcement Regular reviews of the adequate procedures and this ABAC policy by the Company are crucial for ensuring the effectiveness and proper enforcement of the ABAC Policy. It also ensures continuous improvement and could be prompted by external factors like regulatory changes or bribery and corruption incidents.	Section 11.0
T	Training and Communication Effective communication of anti-bribery and anti-corruption practices is crucial for successful implementation. This is achieved by effective communication and training to the Company's stakeholders to ensure that the Company's policies are understood and applied accordingly.	Section 10.0

1.2. Overview of the ABAC Policy

Bribery and Corruption are recognised as serious criminal offences under Malaysian law. Any act or conduct that falls within the definition of corrupt act and is directed at an Officer of a Public Body or a Foreign Public Official or any other third parties constitute an offence under the MACC Act 2009.

Given the extra-territorial nature of the MACC Act 2009, it applies to offences committed in all jurisdictions where the Company operates. All Directors, Employees, Suppliers and Business Associates of the Company must exercise heightened caution in all interactions, whether with Officers of a Public Body, Foreign Public Officials or any third parties. They shall not, whether directly or indirectly through any third party, engage in any activity or

transaction that constitutes or could reasonably be perceived to constitute, an act of bribery or corrupt conduct.

The MACC Act outlines four (4) principal offences related to bribery and corruption, namely: -

(a) Soliciting or receiving gratification;
(b) Offering or giving gratification;
(c) Intending to deceive (e.g. false documents); and
(d) Using office or position for gratification by public body.

Section 17A of the MACC Act, introduced a corporate liability provision applicable to commercial organisations in relation to bribery and corruption offences. Under this provision, a commercial organisation shall be deemed liable if an associated person, such as an employee, agent or any party acting on its behalf, offers or gives a bribe with the intent to obtain or retain business or a business advantage for the commercial organisation.

In circumstances described above, a commercial organisation shall be held legally liable for a corrupt act committed by its associated person. To establish this liability under Section 17A, the prosecution must first demonstrate that a bribe was offered or given by an Associated Person with the intent to obtain or retain business or to secure a business advantage for the organisation. Once these elements are proven, the organisation is deemed liable unless it can successfully invoke the statutory defence by proving that it had implemented adequate procedures designed to prevent such corrupt conduct.

Additionally, Section 17A(3) extends liability to directors, officers, partners or any individual concerned in the management of a commercial organisation. Where the commercial organisation is found liable, such individuals are deemed to have committed the offence unless they prove that the offence was committed without their knowledge, consent or connivance and that they exercised due diligence to prevent its commission.

Upon conviction for an offence under Section 17A, the following penalties shall be imposed:

(a) A fine of not less than ten (10) times the value of the gratification involved or RM1,000,000 whichever is higher, and/or
(b) Imprisonment for a term not exceeding twenty (20) years.

In line with the Section 17A of the MACC Act, the Company reaffirms its commitment to instituting adequate procedures to prevent bribery and corruption across all facets of its operations. These procedures are intended to be robust, comprehensive and effectively implemented at every level of the organisation. Their adequacy will be evaluated against the T.R.U.S.T principles referenced in paragraph 1.1 above.

Sungei Bagan adopts a zero-tolerance approach towards all forms of bribery and corruption. The Company promotes the value of good governance and integrity in carrying out its business activities.

Sungei Bagan is committed to: -

- Establish, maintain, and periodically review an ABAC programme which includes clear policies and objectives that adequately address corruption risks;

- Promote the values of integrity and good corporate governance in all business dealings. All employees are expected to comply with all applicable laws and regulations including our internal policies pertaining to ABAC;
- Create and maintain a trusted and confidential whistleblowing channel in relation to the reporting of suspected and/or real corruption incidents or inadequacies in the anti-corruption compliance programme;
- Provide adequate training, awareness and communication to ensure employees comprehend the requirements, benefits, and their role and responsibilities for ABAC and corruption risk management; and
- Conduct continual review and improvements on the Company's policies and procedures in relation to anti-bribery and anti-corruption.

Employees who engage in any corrupt practices shall be subject to disciplinary action and dealt with accordingly.

2.0 Key Definition

2.1. Anti-Bribery and Anti-Corruption Policy & Guidelines

This refers to the ABAC Policy & Guidelines established by Sungei Bagan.

2.2. Bribery

ISO 37001:2016 defines bribery as offering, promising, giving, accepting or soliciting of an undue advantage of any value (which 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.

2.3. Board of Directors

This refers to as the BOD of Sungei Bagan.

2.4. Code of Conduct & Business Ethics

This refers to as the formalised work and business ethics enforced within the Company.

2.5. Corporate Hospitality

This refers to any considerate care of guests offered in the manner that complete expenses are borne by the company itself. This includes refreshments, accommodation and entertainment at a restaurant, hotel, club, resort and other venue.

2.6. Corruption

The MACC Act 2009 defines corruption as 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.

2.7. Donation

This refers to the gift given out by the Company for charity, humanitarian aid or to support local community welfare, whether in-kind or by way of financial contribution.

2.8. Employee

This refers to any person who is in the employment of the Company, but not limited to executives and non-executives, contract employees.

2.9. Facilitation Payment

This refers to illegal or unofficial payment made in return for services that the Company is legally entitled to receive without making such payment. For example, a payment made to public official or a person with certifying or approval function to expedite the necessary action in the capacity of abovementioned person.

2.10. Gift

This refers to items given by the Company to a third party without the expectation of material effect on any business transaction or benefit in return. For example, voucher, gift cards, Company branded product or promotional items, hamper, and festive gifts.

2.11. Guideline on Adequate Procedures

This refers to the document issued by the Prime Minister's Department on 4 December 2018, pursuant to subsection (5) of Section 17A under the MACC Act 2009.

2.12. ISO 37001:2016

This refers to the international standards on requirements and guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.

2.13. Limit of Authority

This refers to the approved documents stipulating the approving authority and authority limits allowed for the BOD and Management at Sungei Bagan.

2.14. Management

This refers to the management team of the Company, including Managing Director ("MD"), Executive Directors ("ED"), and Executives.

2.15. Public Officials

This includes, without limitation, an officer to the federal and state government, local authorities, candidates for public office, officials of any political party, and officials of state-owned enterprises other than Sungei Bagan.

2.16. Risk Management Committee

This refers to the Risk Management Committee ("RMC") of Sungei Bagan, providing oversight of ERM and corruption risk assessment activities of the Company.

2.17. Sponsorship

This refers to support, either financially or by way of product and/or services for an event or activities organised by a profit or non-profit organisation, local communities,

government departments or agencies, primarily aimed at raising awareness about the Company profile.

2.18. Whistleblower

This refers to a person (internal or external) raising or reporting concerns of wrongful activities or wrongdoings as defined in the *Whistle Blowing Policy & Procedures* of Sungei Bagan.

2.19. Whistleblowing Policy & Guidelines

This refers to the *Whistleblowing Policy & Guidelines* of Sungei Bagan, applicable to the Company.

3.0 Responsibility

3.1. Board of Directors

a. Pledges a firm commitment towards prohibition of bribery and corruption in the business conduct of the Company;
b. Approves the ABAC Policy & Guidelines;
c. Establishes "tone from the top" by ensuring the alignment of ABAC Policy & Guidelines to the strategy of the Company;
d. Maintains oversight on ABAC governance, ensuring that best practices of ABAC management system is established, implemented, maintained and reviewed to adequately address the Company's bribery and corruption risks, including the Policy & Guidelines; and
e. Promotes appropriate ABAC culture within the Company.

3.2. Managing Director / Executive Director

a. Provides overall direction on the establishment, implementation and periodic review of ABAC Policy & Guidelines;
b. Ensures the integration of ABAC Policy & Guidelines requirements into key organisation functions such as human resource management, procurement and finance, and enhance the underlying controls on these key functions so as to support ABAC Policy & Guidelines requirements;
c. Supports adequate training and awareness programmes for the employees of the Company;
d. Ensures that the ABAC Policy & Guidelines are adhered to within the Company;
e. Attends to inquiries about Sungei Bagan's ABAC Policy & Guidelines and its practices within the Company; and
f. Facilitates the corruption risk assessment periodically; and
g. Promotes appropriate ABAC culture within the Company.

3.3. Employee

a. Executes the ABAC Policy & Guidelines, including enhancement of underlying controls on affected functions under his/her responsibility, as elaborated in this Policy & Guidelines;
b. Adheres to the requirement of the ABAC Policy & Guidelines; and
c. Reports on suspected bribery or corruption via the whistleblowing channel of Sungei Bagan.

3.4. Amendments to Policy & Guidelines

If there is any requirement to update, improve, and/or amendments made to this Policy & Guidelines, proposed changes shall be submitted for authorisation and for approval by the BOD. Key information on addition of new policy or procedure and deletion or variation of existing policy or procedures shall be indicated for version control purpose.

4.0 Corruption Risk Assessment Approach

a. The corruption risk assessment process is as follows:

- Risk Identification:
  - Identify business objectives or strategic goals and key processes
  - Identify key corruption risks

- Risk Analysis:
  - Analyse the corruption scheme and root causes (possible & actual)
  - Determine existing key controls

- Risk Evaluation:
  - Determine existing risk rating (likelihood & impact)
  - Risk profiling

b. The BOD, through the RMC, shall oversee and ensure accountability of corruption risk identified with the corresponding controls to be implemented.

c. The risk parameters (i.e. financial impact, customer relationship and reputation/media) are established to estimate the consequences of a risk, namely likelihood of occurrence and criticality of impact, based on Sungei Bagan's risk appetite.

d. The Risk Register is developed to capture potential corruption scheme(s), possible root causes, existing key controls and impact are maintained for the Company. The risks are then evaluated based on the likelihood of occurrence and criticality of impact (i.e., Low, Medium, High and Extreme) to provide a basis for Management in strategic decision-making process and mitigation of corruption risks.

e. The RMC of Sungei Bagan shall conduct regular risk assessment i.e. on a yearly basis and/or when there is a change in law or circumstance of the business to ensure the identified corruption risks remain relevant and that adequate mitigating controls are discussed and implemented.

f. Specific anti-corruption plan shall be identified by the respective Executives and reported to the MD / ED for review and monitoring.

5.0 Gift and Corporate Hospitality

Sungei Bagan recognises that gift and corporate hospitality giving or acceptance, donation and sponsorship activities may help in maintaining good rapport with its vendors, customers and public officials. The policies and procedures set out below are to safeguard the Company's reputation and to protect its employees from allegation of soliciting bribe, corruption or exercising undue influence on external party(s) for personal gain.

5.1. "No Gift" Policy

Sungei Bagan has adopted a "No Gift" Policy whereby, subject only to certain narrow exceptions, employees and directors, family members or agents acting for or on behalf of the Company are prohibited from, directly or indirectly, receiving or providing gifts.

Sungei Bagan requires employees and directors to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between Sungei Bagan and external parties as gifts can be seen as a bribe that may tarnish Sungei Bagan's reputation or be in violation of anti-bribery and corruption laws.

5.2. Exceptions to "No Gift" Policy

Although generally Sungei Bagan practices a "No Gift" policy, there are certain exceptions to the general rule. Where circumstances make it impossible, difficult or impractical to reject the gifts or hospitality events or invitations, employees should immediately report such gifts or hospitality events or invitations to their Manager. When in doubt whether the gift or hospitality event/invitation can be accepted, the employee should seek consultation from the Manager/MD/ED. Nevertheless, if there is a conflict of interest situation, the gift must be politely returned.

a. Prior to the offering or accepting gift and corporate hospitality activities, **ALL** the following conditions shall be fulfilled prior to approval:

   i. They are intended to maintain good rapport with the vendors or customers of the Company and public officials;
   ii. They are limited, customary and lawful under the circumstances;
   iii. They do not have or perceived to be affecting action(s) or decision(s) of the receiving party;
   iv. There shall be no expectation of any specific favour, benefit or advantages from the intended recipients;
   v. There shall not be any corrupt or criminal intent; **and**
   vi. The giving out of gift or corporate hospitality shall be transparent.

b. The general rule whereby the giving and acceptance of gifts and corporate hospitality are permitted in the following situations:

   - Exchange of gifts or corporate hospitality at the company-to-company level (e.g. exchanged between companies as part of an official company visit or courtesy call).
   - Corporate hospitality from company to external institutions or individuals in relation to the company's official business functions, events and celebrations.
   - Gifts to employees/director and/or their family members in recognition of the employee's/director's service to the Company.
   - Token gifts of nominal value normally bearing the Company's logo (e.g. t-shirts, pens, diaries, calendars and other small promotional items).
   - Gifts to charitable organisations or the equivalent who have no business dealings with Sungei Bagan (e.g. monetary gifts or gifts in-kind to charitable organisations).

Any violation of this policy constitutes misconduct and may result in disciplinary action taken against an employee.

5.3. Purchase of Gift and Corporate Hospitality

a. Purchase requisition pertaining to gifts and corporate hospitality shall be a reasonable amount.

b. Purchase of gift subject to the fulfilment of condition as stipulated in Clause 5.2(a), is only permitted with the approval of the MD/ED.

c. Corporate hospitality is only permissible to Manager level and above. Any corporate hospitality in nature exceeding RM300 requires approval from the MD/ED, subject to the fulfilment of condition as stipulated in Clause 5.2(a).

d. Purchase requisition pertaining to gifts and corporate hospitality for public officials from the public sector of any amount, requires approval from the MD/ED, and it shall be restricted to statutory limits of the respective countries.

e. Purchase requisition of corporate hospitality shall be indicated with purpose of requisition, including client or vendor name or representative details.

5.4. Gift Acceptance

a. In no circumstances may an employee, director or his/her family/household members accept gifts in the form of cash or cash equivalent. All incidents where cash is offered or suggested, must be reported to the MD/ED.

b. Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of Sungei Bagan is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever Sungei Bagan's business relationship with external party(s).

c. Under these limited circumstances, employees are to declare and record the gifts received at the Gifts and Hospitality Registry to be administered by the Manager. Gifts of an estimated value of below RM100 may be accepted only with approval in writing from the Manager. All gifts of an estimated value of RM100 and above may be accepted only with approval in writing from the MD/ED. Upon approval, the approver will assist the employee to determine the appropriate course of action with regards to accepting, donating, re-distributing, returning, or contributing the gift to the gift pool.

d. Employees may accept gifts of nominal value such as perishable items (fruits and flowers without commercial value) intended for general estate welfare which are customary and non-frequent, and stationery, calendars, desk diaries, tokens or other souvenirs in connection with business events which carries the giver's company name or corporate logo for advertising or marketing purposes. The declaration and recording of gifts of such nature is not necessary.

5.5. Corporate Hospitality Acceptance

a. As business lunches/dinners are an accepted mode of hospitality, care must be exercised while accepting such meals. These should be infrequent and non-lavish. The sole purpose must be for enhancement of a business relationship and not for reciprocity.

b. Employees of the Company shall exercise proper care and judgment prior to accepting corporate hospitality from third parties, subject to the fulfilment of conditions as stipulated in Clause 5.2 (a). This is vital to safeguard the Company's reputation and to protect its employee from allegations of soliciting bribe or corruption.

c. Approval from MD/ED will be required if the meal exceeds RM100 per non-executive employee and/or RM200 per executive and above.

d. Any corporate hospitality received by an employee of the Company from external party(s) requires declaration to their managers for recording and monitoring.

6.0 Corporate Social Responsibility, Donation and Sponsorship

a. All Corporate Social Responsibility ("CSR") related sponsorships and donations shall be made in accordance with Sungei Bagan's policies with prior approval.

b. Given the nature of Sungei Bagan's business, government agencies or local authority bodies may request for sponsorship and/or donations in respect of CSR events. As part of Sungei Bagan's commitment to corporate social responsibility and sustainable development, as a general matter, Sungei Bagan provides such assistance in appropriate circumstances and in an appropriate manner.

c. Such requests shall be examined for legitimacy and not be made to improperly influence a business outcome. The proposed recipient shall be a legitimate organisation and appropriate due diligence shall be conducted in particular to ascertain whether any public officials are affiliated with the organisation. Any red flags shall be resolved before committing any funds to the programme. Even requests determined to be legitimate shall be carefully structured to ensure that the benefits reach their intended recipients.

d. If any employees or Directors are in any doubt as to whether a charitable contribution or social benefit is appropriate, Management shall seek legal consultation accordingly.

6.1 Donation and Sponsorship

a. Employees shall ensure that all donations and sponsorships are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the Code of Conduct & Business Ethics, including in particular, the prohibition on bribery. Sungei Bagan needs to be certain that donations to foreign-based charities or beneficiaries are not disguised illegal payments to public officials and shall ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.

b. The Policy & Guidelines, in accordance with Sungei Bagan's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations shall comply with the following:

- ensure such contributions are allowed by applicable laws;
- obtain all the necessary internal and external authorisations;
- be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- be accurately stated in the company's accounting books and records; and
- not to be used as a means to cover up an undue payment or bribery.

Examples of red flags to look out for are as follows:

- The proposed recipient or organisation have affiliations with a Public Official or their relatives are involved;
- The contribution is made on behalf of a Public Official;
- There is a risk of a perceived improper advantage for Sungei Bagan; or
- The proposed recipient is based in a high-risk country, the request comes from a high-risk country, or the activity takes place in a high-risk country.

c. Sungei Bagan requires employees to use good judgment and common sense in assessing the requests. When in doubt, employees shall seek legal advice or escalate the matter to the MD/ED to determine the authenticity of such requests.

d. Donation and sponsorship are only permissible with prior approval by the Manager/ MD/ED. All donations and sponsorship payment shall be supported with an official letter of request from the requesting external party and proof of receipt.

e. Donation or sponsorship, which is more than RM500 requires approval from the MD/ED, while RM5,000 and above is subject to approval by the BOD.

7.0 Facilitation Payments

Employees and agents of Sungei Bagan are prohibited from making facilitation payments, whether directly or indirectly where this will be in breach of any applicable law. Facilitation payment to external party, in particular, public officials, is strictly prohibited as it is seen as a form of bribery and corruption. Facilitation payment shall not be in any way or form to be disguised or translated in personnel renumeration package.

8.0 Due Diligence Procedures and Dealing with External Parties

Sungei Bagan recognises the objective of due diligence procedures on customers, agent, vendors and employees to evaluate the risk of bribery and corruption associated with these parties. This also serves as a basis for decision making, whether to accept or reject before entering into any contractual arrangement or business dealing.

The Company requires due diligence procedures to be applied on the key stakeholders below:

i. Vendors or agents;
ii. Customers; and
iii. Employees.
iv. Contractors, Suppliers and Service providers

8.1. Dealing with Vendors or Agents

a. Sungei Bagan is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities by:

   i. Adhering to the procurement policies and procedures;
   ii. Avoiding dealing with any vendor, sub-contractors, or agents who known or reasonably suspected of corrupt practices;
   iii. Ensuring that all new vendors/sub-contractors/agents are subject to background assessment and conflict of interest check prior to registration and acceptance;
   iv. Communicating the Policy & Guidelines requirements to vendor, sub-contractors or agents;
   v. All contracts/agreement entered with vendors, sub-contractors or agents to incorporate a provision whereby Sungei Bagan retains right to audit third party compliance with the Policy & Guidelines, as practically possible; and
   vi. All agents are required to declare on their adherence to the Policy & Guidelines requirements, as practically possible.

b. The key components of vendor/ agent due diligence procedures cover the following, but may vary depending on the circumstances:

   i. Corporate profile;
   ii. Company search via Suruhanjaya Syarikat Malaysia ("SSM") or equivalent authorities in the respective countries of operation;
   iii. Financial background;
   iv. Directorship;
   v. Past records of criminal, bribery or corruption cases; and
   vi. Potential conflict with existing employees or Director of the Company.
   vii. Politically Exposed Persons

c. The results and/or any concern raised during this due diligence assessment shall be communicated to, and approved by, the Manager, MD or ED prior to entering into the relationship.

8.2. Dealing with Customers

a. In ensuring that Sungei Bagan dealings with its customers comply with relevant rules, regulations and the Policy & Guidelines requirements, the safeguard procedures below are required:

i. All new customers are subject to background assessment and conflict of interest check prior to entering into a business dealing; and
ii. A standard ABAC clause shall be included in all contracts or agreement entered with customers, as practically possible, to enable the Company to terminate the contract in the event of any proven bribery or corruption activities.

b. The key components of customers' due diligence procedures cover the following, but may vary depending on the circumstances:

i. Corporate profile;
ii. Company search via SSM or equivalent authorities in the respective countries of operation;
iii. Financial background;
iv. Directorship;
v. Past records of criminal, bribery or corruption cases; and
vi. Potential conflict with existing employees or Director of the Company.

c. The results and/or any concern raised during this due diligence assessment shall be communicated to the Manager, MD or ED prior to entering into the relationship.

8.3. Dealing on Recruitment of Employees

a. Background screening on shortlisted candidate(s) is required during the evaluation stage of recruitment process.

b. Key considerations prior to acceptance of shortlisted candidate(s) cover the following:

i. Past criminal records (if any);
ii. Potential fraud, bribery or corruption committed in the previous organisation;
iii. Verification of past employment or institution of learning references, where applicable; and
iv. Conflict of interest, i.e. relationship with any employee, vendor, customer or Director of the Company.

c. Recruitment due diligence result shall be vetted by the Manager/MD/ED prior to acceptance of the candidate.

d. Newly recruited employee(s) shall be provided with an onboarding programme, including the briefing on Sungei Bagan's ABAC Policy & Guidelines and the Code of Conduct & Business Ethics.

8.4. Dealing with Public Officials

A 'public official' is defined as; which includes, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises other than Sungei Bagan. Caution shall be exercised when dealing with public officials. Providing gift or corporate hospitality to public officials or their family/household members is generally considered a 'red flag' situation in most jurisdictions. Sungei Bagan shall not provide non-business travel and corporate hospitality for any public official or his/her family/household members.

Sungei Bagan's policies and procedures on gift and corporate hospitality shall also be abided by, copies of which can be obtained from the Anti-Bribery and Anti-Corruption Policy & Guidelines, which is available on Company's website. If approval is given to

provide gift or corporate hospitality to public officials, the Management shall ensure that the value of gift or corporate hospitality shall not exceed the statutory limit.

9.0 Reporting Procedures on Suspected Bribery or Corruption Activities

Reference shall be made to the *Whistleblowing Policy & Guidelines of Sungei Bagan* pertaining to reporting procedures on suspected bribery or corruption activities.

Whistleblowers are encouraged to report in good faith or to raise a concern about any attempted, suspected and actual bribery or corruptions activities that violate the Policy & Guidelines at the earliest possible stage.

Upon making a disclosure in good faith, based on reasonable grounds and in accordance with the procedures pursuant to the *Whistleblowing Policy & Guidelines*, the whistleblower shall be protected from any form of retaliation by the Company.

9.1. What to Report

The key information or documents below are to be provided by the whistleblower to facilitate further investigation, if required:

a. Whistleblower's contact information
   i. Name (*)
   ii. Designation
   iii. Contact Number
   iv. Email Address (*)

b. Complaints / concerns
   i. Incident date
   ii. Suspect's information
   iii. Affected parties
   iv. Incident or event location
   v. Supporting documents (where applicable)
   vi. Other details or information which may assist the investigation

** May leave the information blank if the whistleblower wishes to remain anonymous*

9.2. How to Report

Whistleblowers shall report their concerns using the reporting channels as stated in the *Whistleblowing Policy & Guidelines*, which is available on the Company's website.

a. Raising a Concern: Send letter or email to the Audit Committee Chairman

b. Screening: Telephone conversation, letter, or email, evidence or interview

c. Preliminary Action: Decision by the AC / BOD

d. Investigation: Final decision by the BOD

e. Reporting Outcome: Notification Letter

10.0 Training and Awareness Programme

a. Annual training and awareness programme on ABAC shall be provided to Sungei Bagan's employees and key stakeholders as defined in Clause 8.0, as appropriate to their roles and taking into account the bribery risk assessment.

b. Updates on this Policy & Guidelines with regards to its content as well as regulatory requirement affecting the ABAC practices shall be communicated to Sungei Bagan's employees and key stakeholders, defined in Clause 8.0.

11.0 Systematic Review, Monitoring and Enforcement

This section outlines the review, enforcement and monitoring processes for the Bribery and Anti-Corruption measures. It consists of the following two (2) key components: -

a. Monitoring and Review – Involves ensuring that the Company's ABAC Policy are consistently followed and that any potential gaps or weaknesses are identified and addressed in a timely manner. This is achieved through regular internal audits or external assessments to verify compliance with the Policy.

b. Enforcement and Improvement – Involves promptly addressing any gaps or breaches of the ABAC Policy through appropriate enforcement actions. This shall include investigations, disciplinary measures, termination of business relationships or employment where serious non-compliance is identified. In addition, regular compliance reviews serve not only to detect and respond to violations but also to identify opportunities for strengthening existing policies and enhancing control measures to further mitigate bribery and corruption risks.

These processes are essential in ensuring that the Company remains vigilant, responsive and proactive in managing bribery and corruption risks. Through continuous monitoring, timely enforcement and regular compliance reviews, the Company is well-positioned to detect and address potential risks effectively, thereby reinforcing its commitment to integrity and ethical business conduct.

c. If any of the Company's key stakeholders as defined in Clause 8.0 are found to have breached any ABAC rules and regulations or this Policy & Guidelines, the following actions may be taken: -

Key stakeholders	**Actions taken**
Employee	Disciplinary action, and will be dealt with accordingly, which includes termination of employment.
Vendor, agents and customers	i. Subject to BOD's approval, retain business dealings; ii. Discontinue business dealings with immediate effect; iii. Termination of contract with immediate effect; or iv. Legal proceedings if required.

This Policy & Guidelines shall be reviewed every three (3) years, with interim updates carried out as and when required to address regulatory changes.

This Policy was reviewed and approved by the Board on 26 August 2026.