

BUILDING VALUE IN EVERY WAY



NAIM HOLDINGS BERHAD

&

ITS SUBSIDIARIES

Anti-Bribery & Corruption Policy

(“Policy”)

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PART 1: ANTI-BRIBERY & CORRUPTION POLICY

1.1 What does the Policy cover?

- 1.1.1 This Anti-Bribery & Corruption Policy (“ABC Policy”) sets out the responsibilities of Naim Holdings Berhad (the “Company”) and its subsidiaries (collectively, the “Group”) and those who work for and with the Group, with regard to observing and upholding the Group’s zero-tolerance position on bribery and corrupt gratification.
- 1.1.2 This Policy serves as formal guidance and reference to those working for and/or associated with the Group to deal with, manage and handle any bribery and corrupt gratification issues, as well as define clearly each party’s roles and responsibilities in how to deal with bribery and corrupt gratification.
- 1.1.3 The Anti-Bribery and Corruption Programme provided within this Policy is not exhaustive and the Group may update from time to time this Policy and Programme which may be extended to cover all circumstances in relation to the bribery. Compliance of this Policy is mandatory and will be monitored closely by the Group.
- 1.1.4 This Policy is supplemental to and shall be read in conjunction with the Code of Conduct and Business Ethics of the Group.

1.2 Policy statement

- 1.2.1 The Group is committed to conducting business with integrity and in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery and corrupt practices are not committed. The Group adopts zero-tolerance for bribery and corrupt gratification activities. The Board of Directors, all levels of Management and employees are committed to acting professionally, fairly, and with integrity in all the Group’s business dealings and relationships in whichever country we operate.
- 1.2.2 The Group will constantly uphold all laws relating to anti-bribery and corrupt gratification in all the countries in which we operate. We are bound by the laws of Malaysia, and in this particular context, the Malaysian Anti-Corruption Commission Act 2009 and Malaysian Anti-Corruption Commission (Amendment) Act 2018 (collectively referred as “MACCA”) pertaining to its business conduct.
- 1.2.3 The Group recognises that bribery and corrupt gratification are punishable by fines and jail sentences, upon conviction. The Group and any person associated with it found to have taken part in corrupt activities with intent to obtain or retain business or an advantage in the conduct of business for the Group, shall, upon conviction, be liable to a fine of not less than



ten (10) times the sum or value of the corrupt gratification or one million ringgit (RM1 million), whichever is the higher, and/or the Group's director, controller, officers or partner or any person who is concerned in the management of the Group's affairs jailed for a term not exceeding twenty (20) years. There may well be other associated charges brought against the Group and/or the said persons under other legislations in Malaysia or in the countries in which the alleged crime is committed. All these may lead to serious damage to our reputation. It is with this in mind that we remain committed to preventing bribery and corrupt gratification in our businesses, and take our legal responsibilities seriously.

1.2.4 The Group works only with organizations and associated persons that demonstrate, and commit to the anti-bribery practices consistent with the Group's Policy.

1.3 Who Are Covered by the Policy?

1.3.1 This Policy applies to the Group and all persons associated with the Group. A person is associated with the Group if he is a director, partner or an employee of the Group or he is a person who performs services for or on behalf of the Group.

1.3.2 Employee shall mean, but is not limited to temporary, contract-basis, daily-rated, hourly-rated and/or permanent staff, trainees, seconded staff, casual workers, volunteers and/or interns of the Group.

1.3.3 Partner shall mean, but is not limited to the Group's joint venture partners and consortium partners.

1.3.4 A person who performs services for or on behalf of the Group shall include, but is not limited to the Group's trustees, agents, consultants, advisors, contractors and/or sponsors no matter where they are located, within or outside of Malaysia.

1.3.5 Whether a person is performing services for or on behalf of the Group or vice versa shall be determined by reference to all relevant circumstances. Thus, it may also include actual and potential clients, customers, contractors, subcontractors, vendors, suppliers, distributors, business contacts, public officials and others who have dealings with the Group (for brevity, third parties), whatever their relationship with the Group may be called.

1.4 Definition of Bribery and Corruption

1.4.1 Bribery refers to the act of offering, giving, promising, agreeing, receiving, accepting or soliciting something of value or of an advantage so as to induce or influence an action or decision of a person in a position of trust within an organisation.

1.4.2 Any action which would be considered as an offence of giving and receiving gratification under MACCA. According to MACCA "gratification" means:-

- a) money, donation, gift, loan, fee, reward, valuable security, property or interest in

property being property of any description whether movable or immovable, 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;
- d) any valuable consideration of any kind including but not limited to 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).

1.4.3 When a person offers, promises or give a bribe, it is called “active bribery” and when a person requests or accepts a bribe, it is called “passive bribery”. Both active and passive bribery are breaking the law and are prohibited.

1.4.4 Malaysian Anti-Corruption Commission’s definition of corruption 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.”

1.4.5 All persons associated with the Group must not engage or appear to be engaged in any form of bribery or corrupt practices, whether it be directly or through a third party (such as an agent or distributor). They must not bribe a public official anywhere in the world. They must not accept bribes in any degree and if they are uncertain about whether something is a bribe, a gift or act of hospitality, they must seek further advice from the Group’s Head of Compliance/Compliance Officer (“CO”).

1.5 Implementation of Anti-Bribery and Corruption Programme

1.5.1 To give effect to the Policy, the following detailed Anti-Bribery and Corruption Programme has been formulated to ensure that all associated persons are aware and give full commitment to comply with the policy.

1.5.2 The detailed programme covers the following:

Part 2: Policies, procedures and guidance for various relevant forms of bribery

 2.1 No-Gift Policy

 2.2 Facilitation Payments

 2.3 Political Contribution

 2.4 Charitable Contributions, Donations & Sponsorships

 2.5 Employment Procedure

Part 3: Commitment & responsibilities

Part 4: Reporting

Part 5: Training & communication

Part 6: Record keeping

Part 7: Monitoring, reviewing and enforcement

PART 2: POLICIES, PROCEDURES AND GUIDANCE FOR VARIOUS RELEVANT FORMS OF BRIBERY

2.1 No-Gift Policy

2.1.1 The Group practices a strict “No-Gift Policy”. All associated persons and their family members are prohibited from providing or receiving gifts, entertainment and hospitality to/from third parties.

2.1.2 Politely decline in giving or receiving gifts, entertainment and hospitality by explaining to them that the company is practicing “No-Gift Policy”.

2.1.3 Definition:

- **Gifts:** Something received from or given to customers, suppliers or any other third parties. Gifts shall mean gifts in the traditional sense e.g. hampers including those given at festive occasions and presents including those given at birthdays and other special occasions, vouchers, souvenirs and even acts of service, but in this context also includes spending in the form of entertainment, hospitality and travel.
- **Hospitality:** Provision of accommodation, transportation, travel, meals or refreshments in connection with business dealing or meeting.
- **Entertainment:** Action of providing or being provided enjoyment, leisure or amusement. For example, karaoke, spa, theatre and so on.

2.1.4 The Group’s “No-Gift Policy” means that no gifts, entertainment, hospitality and/or travel shall be given to or received from third parties. Any such incident occurring shall be immediately disclosed to the CO.

2.1.5 However, gifts may be offered for corporate branding, promotional and marketing purposes (e.g. pens, mugs, umbrellas, key chains and USB drives). Gifts for these purposes must not exceed RM150 in total per recipient.

2.1.6 Notwithstanding the definition in clause 2.1.3, the provision of accommodation, transportation, travel, meals or refreshments is permitted if it is specifically provided in the contract.

2.2 Facilitation Payments

2.2.1 The Group does not accept and will not make any form of facilitation payment of any nature. We recognise that facilitation payments are unofficial payments which allow a corrupt practice that is intended made to expedite or facilitate the performance of a routine action by a public official or any other person of authority.

2.2.2 The Group does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.

2.2.3 The Group recognises that despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their or their family's personal security at risk.

2.2.4 The following guidance suggests steps you should take if a facilitation payment is requested from you:

- a) Take reasonable steps to verify that the payment is legitimate. If it is legitimate, it is likely that:
 - i) the amount of the payment and the purpose of the payment would be published in the official documents (e.g. invoice or written request for payment) or on their official web site or on a notice board at the location the payment is demanded
 - ii) the payment would be something that would normally be expected (e.g. a visa payment at the visa desk in the airport arrivals hall)
 - iii) an official receipt would be issued without needing to request it.
- b) If no reasonable proof of legitimacy is apparent, then request proof in the form of:
 - i) the official requirement for the payment published in official documents or on their official web site or on a notice board
 - ii) an official receipt as evidence of payment for the identified purpose and is supported with official bill/invoice
- c) If no reasonable proof of legitimacy is provided, and the service is being denied, then ask to speak to a more senior officer to obtain reasonable proof of legitimacy.
- d) If no reasonable proof of legitimacy can be obtained, do not make any payment and consult with the CO.
- e) If you believe that you are being asked for an illegal payment and the service may be denied or deliberately delayed without the payment and you have informed the demander that you are not allowed by the Group's policy and by the law in the country which we are operating in to make such a payment and would have to report the matter to the CO, before the payment is made, you would be obliged to report it to the CO and the incident may then be reported to the local authorities.

- f) If you have made a facilitation payment in circumstances where you have concerns over its legitimacy, or you made the payment so as to safeguard your own, or another person's safety, then you must immediately:
 - i) make a record of the event (time of the event, the person demanding for payment and description of the event)
 - ii) report the matter to the CO and the incident may then be reported to the local authorities
- g) Any such payment must not be disguised as a legitimate business expense.
- h) In case of doubt, seek advice from the CO.

2.3 Political Contribution

2.3.1 As a matter of general policy, the Group does not make or offer political contributions whether monetary or in-kind to political party officials or candidates for public office unless it is being approved by the Group Managing Director or Board of Directors.

2.3.2 If any contribution is made, it must not be made with any promise or expectation of favourable treatment in return and must be accurately reflected in the Group's books and records.

2.3.3 Such contribution if made shall be for the furtherance of interest of society or sections of society.

2.4 Charitable Contributions, Donations & Sponsorship

2.4.1 The Group accepts and encourages the act of donating to charities as part of its corporate social responsibility initiatives, whether through services, knowledge, time or direct financial contributions (cash or otherwise), and shall disclose all charitable contributions at its corporate website at www.naim.com.my.

2.4.2 All associated persons must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of corruption.

2.4.3 The Group will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are offered or made in accordance with the Group's approval mandate.

2.4.4 These same principles shall apply to sponsorships.

2.4.5 The following guidance suggests the due diligence when deciding whether it is appropriate to offer a charitable contribution, donation or sponsorship:

- a) Whether it could be perceived as an intention to influence someone to act corruptly, or be a reward for acting improperly, it should not be offered, given or accepted.

- b) Whether the receiving party is a legitimate charity body.
- c) The purpose of the donation shall be stated clearly.
- d) The members in the charity body are not linked to a person in such a position or have affiliation with a public official that has the relevant decision making authority to award contracts or approve permits, certificates or payments which can be perceived to provide improper advantage.
- e) If the recipient is a government official or involves a government official or their family members, the charitable contribution, donation or sponsorship must undergo the following more stringent test:
 - i) Public perception: Does it give rise to an adverse impression (e,g, is the donation provided prior to a tender evaluation)
 - ii) Prosecution perception: Does it lead to a corrupt outcome or would the explanation be plausible to a court of law?
 - iii) Openness: Be open about the charitable contribution, donation and sponsorship
- f) Proper approval shall be obtained and the limits of authority followed.
- g) In case of doubt, seek advice from the CO.

2.5 Employment Procedure

2.5.1 The Group provides equal opportunity for any qualified and competent individual to be employed.

2.5.2 The recruitment of employees is based on approved selection criteria to ensure that only qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved.

2.5.3 All prospective candidates shall be vetted to ensure that the Group's recruitment procedure is followed and that the candidates carry with them the same behavior and values which make them likely to comply with the Group's Anti-Bribery and Corruption Policy and Program.

2.5.4 Ensure that the recruitment is not in itself corrupt. The company must not offer employment to any personnel:

- i) in return for that personnel having to influence his/her previous employer to improperly favor the company; or
- ii) in order that the new personnel can secure improper favorable treatment for the company.

PART 3: COMMITMENT & RESPONSIBILITIES

3.1 Board Responsibilities

3.1.1 The Board is aware of the importance of effective implementation of this Anti-Bribery and Corruption Programme in the Group and accepts the overall responsibility for the effective implementation of the programme.

3.1.2 To ensure that the Board is kept up to date, a specific agenda item is included in the board meetings to review any issues related to this Policy which may have arisen and approve revisions to the Policy, if any.

3.2 CO Responsibilities

3.2.1 The Board has appointed a CO who shall be responsible for ensuring the Group has adequate anti-bribery and corruption programme in place. The CO shall oversee the implementation of the programme at the relevant business units, operations and support service functions in the day-to-day operation and shall be reporting to the Independent Compliance Committee to evaluate and review findings thereon.

3.2.2 CO shall be the point of contact when reporting an incident or concern relating to the act of corruption.

3.2.3 CO shall also provide advice and guidance to personnel on this Policy and Programme and issues relating to corruption.

3.3 Employee Responsibilities

3.3.1 As an employee of the Group, you must ensure that you read, understand and comply with the information contained within this Policy, and with any training or other anti-bribery and corruption information you are given.

3.3.2 All employees and those under our control are equally responsible for the prevention, detection and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.

3.3.3 No employee shall suffer demotion, penalty or other adverse consequence for refusing to pay or receive bribes or taking part in any corrupt practice; even if such refusal may result in the Group losing business or experiencing delay in business operations. Employees can refer to the Group's Whistleblowing Policy for more information.

3.3.4 If you have reasons to believe or suspect that an instance of bribery or corrupt practice has occurred or will occur in the future that breaches this Policy, you must notify the CO.

3.3.5 If any employee breaches this Policy, the employee will face disciplinary action in accordance with the Group's Code of Conduct and Employee Handbook and could face dismissal. The Group has the right to terminate the employment of an employee if the employee breaches this Policy.

3.4 Third Party Responsibilities

- 3.4.1 Third parties performing work on behalf of the Group are required to understand, comply with the Policy and apply similar anti-bribery and corruption programme to fight against bribery and corruption. They are expected to formally accept that they agree to act ethically and refuse to participate in corrupt practices.
- 3.4.2 Third parties have the responsibilities to bring awareness and to guide their employees on how they should react to potential bribery to avoid any breach of this Policy.

PART 4: REPORTING

4.1 How to Raise a Concern

4.1.1 If you suspect that there is an instance of bribery or corrupt activity occurring in relation to the Group, you are encouraged to raise your concerns at as early a stage as possible. If you are uncertain about whether a certain action or behaviour could be considered bribery or corruption, you should speak to the CO.

4.1.2 The Group shall, via the CO, familiarise all employees with its whistleblowing procedures so that employees can vocalise their concerns swiftly and confidentially.

4.2 What to Do if You Are a Victim of Bribery or Corruption

4.2.1 You must tell the CO as soon as possible if you are offered a bribe by anyone, if you are asked to make one, if you suspect that you may be bribed or asked to make a bribe in the near future, or if you have reason to believe that you are a victim of a corrupt activity.

4.3 Protection

4.3.1 If you refuse to accept or offer a bribe or you report a concern relating to potential act(s) of bribery or corruption, the Group understands that you may feel worried about potential repercussions.

4.3.2 The Group will support anyone who raises concerns in good faith under this Policy, even if investigation finds that he/she was mistaken.

4.3.3 The Group will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.

4.3.4 Detrimental treatment refers to dismissal, disciplinary action or unfavourable treatment in relation to the concern the individual raised.

4.3.5 If you have reason to believe you have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform your immediate superior or the CO immediately.

PART 5: TRAINING & COMMUNICATION

5.1 Employees Training, Induction & Internal Communication

- 5.1.1 The Group will provide training on this Policy to all the relevant employees.
- 5.1.2 When new employees join the company, a copy of this Policy shall be provided.
- 5.1.3 By relating to the activities identified to be vulnerable to corruption, the Head of Department or Manager shall communicate and engage with the new employee to explain:
 - a) The importance to comply with the Group's Anti-Bribery and Corruption Policy.
 - b) The anti-bribery and corruption programme relevant to the personnel's line of work.
- 5.1.4 Upon completion of the induction, the manager needs to be satisfied that the personnel understand and accept the importance of compliance.
- 5.1.5 Employees will also receive regular, relevant training on how to adhere to this Policy, and will be asked annually to formally accept in writing that they will comply with this Policy. Employees who refuse may not be in compliance with the Group's commitment and may raise concern that a corrupt act is likely to happen and may be asked to leave.
- 5.1.6 The Group will provide relevant anti-bribery and corruption training to employees on a regular basis.

5.2 External Communication

- 5.2.1 The Group's Anti-bribery & Corruption Policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners and any third parties at the outset of business relations, and as appropriate thereafter. Those who refuse will not be in compliance with the Group's commitment and may raise concern that a corrupt act is likely to happen and will have our contractual relationship and/or potential contractual relationship terminated.

All the parties mentioned above should be made aware of this Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

PART 6: RECORD KEEPING

6.1 Record Keeping

- 6.1.1 The Group shall keep detailed and accurate financial records, and shall have appropriate internal controls in place to act as evidence for all payments made.
- 6.1.2 Notwithstanding the “No-Gift Policy” aforementioned, the Group shall declare and keep a written record of the amount and reason for gifts, entertainment, hospitality and travel accepted and given, if any.
- 6.1.3 Records of charitable contributions, donations and sponsorship shall also be made and kept, if any.
- 6.1.4 As a general policy, the Group does not make or offer political contribution. However, if such contribution is made, the Group shall keep a written record of that contribution, if any.

PART 7: MONITORING, REVIEWING & ENFORCEMENT

- 7.1 The CO shall monitor the adequacy and operating effectiveness of this Policy and shall review the implementation of it on a regular basis, including assessing its suitability.
- 7.2 Internal control systems and procedures designed to prevent bribery and corrupt practices are subject to regular audits to ensure that they are effective.
- 7.3 Any need for improvements shall be applied as soon as possible. Employees are encouraged to offer their feedback on this Policy if they have any suggestions on how it may be improved. Feedback of this nature should be addressed to the CO.
- 7.4 This Policy may be amended at any time and from time to time so as to improve its effectiveness. At a minimum, this Policy shall be reviewed once a year.
- 7.5 Any employee or person associated with the Group, if found to be non-compliant or in breach of this policy, shall be dealt with according to the Group’s disciplinary measures including the termination of the employment or other measures available. The Group may also take legal action in the event the Group’s interest have been harmed as a result of non-compliance.

PART 8: RISK MANAGEMENT

- 8.1. Respective business units, operations and support functions have performed risk assessment based on their subject matter knowledge and experience prior to producing this Policy.

This Anti-Bribery & Corruption Policy has been approved by the Board of Directors of Naim Holdings Berhad.