



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1. INTRODUCTION

This Anti-Bribery and Anti-Corruption Policy (“ABC Policy”), provides guidelines on the scope and objective of handling bribery and corruption within Kumpulan Powernet Berhad Group of Companies (“Group”) and shall also extend to its Business Partners.

This ABC Policy is in line with the Group’s Code of Business Ethics (“CoBE”) which acts as a guiding principle on any ethical issues one may face during the course of business and the standards of behaviour expected of all employees of the Group.

This ABC Policy is not intended to provide definitive answer to every question regarding bribery and corruption. Instead, it provides for a comprehensive guiding principle focused in assisting the Group and its Business Partners to combat bribery and corruption coupled with the Group’s commitment to lawful and ethical course of business at all times.

The Group is committed to conduct all business in an honest, ethical and professional manner wherever the Group operates.

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery. We will uphold all laws relevant to countering bribery and corruption in Malaysia.

The ABC Policy leverages on the values and core principles set out in the Code of Business Ethics. Full compliance to both the spirit and the letter of this ABC Policy is mandatory and should be maintained using a principle-based approach.

2. DEFINITIONS

- Reference to “**ABC Policy**” refers to the Anti-Bribery and Anti-Corruption Policy.
- Reference to “**Group**” or “**Company**” refers to Kumpulan Powernet Berhad Group of Companies, including its subsidiaries, direct or indirect, and controlled companies.
- Reference to “**CoBE**” refers to the Group’s Code of Business Ethics.
- Reference to “**employee**” means any person who is in the employment of the Group, including but not limited to executives, non-executives, secretaries, secondees and individuals on direct hire.
- Reference to “**Board of Directors**” refers to all Directors of the Group, be it independent or non-independent executive directors and non-executive directors and includes the alternate director.
- Reference to “**customer**” refers to any person or entity to which the Group provides its products and render its services, which may include potential customers.
- Reference to “**Public Officials**” and/or “**Government Officials**” refers to any person who is a member, an officer, an employee or a servant of a government agency whether Federal or State Authorities.
- Reference to “**you**” or “**your**” refers to any person to this ABC Policy applies. Where more specific reference is used, the more specific reference is intended.

3. SCOPE AND OBJECTIVE

SCOPE

- This ABC policy applies to:
 - (i) the Group's Directors (executive and non-executive);
 - (ii) the Group's Employees consisting of permanent and contract staff, temping and temporary staff, trainees and interns; and
 - (iii) the contractors, sub-contractors, consultants, agents, representatives and others performing works or services for or on behalf of the Group.

OBJECTIVE

- To set out the Group's position on corruption and bribery in all its forms that the Group may encounter in its daily operations.
- To provide guidance to the Group's Directors, Employees and Business Partners on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.
- To adhere strictly to the relevant laws relating to the corruption including but not limited to the Malaysian Anti-Corruption Commission Act 2009, Penal Code and Anti-Money Laundering and Anti-Terrorism Financing Act 2001, which are directly relevant to the Group.
- Intended to serve as a preventive tool to help the Group's Board of Directors, employee and business partners recognise, detect and avoid potential corrupt practices.

4. ANTI-CORRUPTION & BRIBERY FRAMEWORK

Preventing Corruption & Developing an Ethical Culture

Consistent Enforcement & Deterrence, Transparency

1

Corruption
Prevention
Policy &
SOP

2

Code of
Business
Ethics &
Conduct

3

Corruption
Risk
Management

4

Detecting
Corrupt
Practices &
Compliance
Breaches

5

Responding to
Corrupt
Conduct &
Compliance
Breaches

6

Education &
Awareness

5. CONFLICT OF INTEREST

INTRODUCTION

1. Conflicts of interest arise in situations where there is a personal interest that might be considered to interfere with that person's objectivity when performing duties or exercising judgment on behalf of the Company.
2. Employees should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties. Employees must not use their position, official working hours, Company's resources and assets for personal gain or to the Company's disadvantage.
3. If an employee finds himself/herself in a situation of conflict whether actual or potential, the employee needs to speak to his/her Head of Department so that it could be managed properly. Such situation must be reported in writing as soon as practicable stating the facts, nature and extent of the conflict.

REPORTING A CONFLICT OF INTEREST

1. Employee who is in a situation of actual or potential conflict must complete the Conflict of Interest Disclosure Form as soon as the situation arises. The completed form shall be submitted to the respective Head of Department for approval. The Head of Department shall consult with the relevant party as prescribed in the form to facilitate deliberation, depending on the nature of the conflict. If Employee is uncertain on any matter relating to the disclosure, the Employee can seek advice from the Group's Compliance.
2. The Head of Department shall then take such action as is considered necessary to safeguard the interests of the Company and/or provide dispensation under allowable circumstances. Where the conflict involves an award of contract or proposed contract with the Company, the terms of the contract must be deliberated and decided independently e.g. through an independent tender committee if the approval is via a tender committee. The Employee concerned is also to refrain himself/herself from participating in any of the tender process.

5. CONFLICT OF INTEREST

REPORTING A CONFLICT OF INTEREST

3. In the case whereby the situation of conflict is faced by Employee who is of Senior Vice President grade and above, approval by the Group Managing Director and the Group Chief Financial Officer must be sought.
4. For a Director, you must disclose the conflict to the Board of Directors, and where relevant, then prior approval of shareholders must be sought, in accordance with applicable laws and regulations.
5. Upon consultation and approval, you are required to comply with all requirements and agreed action plan to resolve the conflict. In the event that the conflict is still ongoing or remains unresolved, you are expected to continue disclosing the conflict of interest and submit the form annually.

DEALINGS WITH SUPPLIERS, CUSTOMERS, AGENTS AND COMPETITORS

1. Any Director or Employee or their family members must not have any financial interest in a supplier, customer, agent or competitor of the Company, except that in the case of a public listed company whereby an interest of less than 5% in the equity will be disregarded.
2. In the case of payments by Group to officially appointed selling agents, the buyer should have knowledge of the normal commercial practice that commission is payable to the agents, and consequently specific approval from the buyer is not required.
3. With the exception of the above instances, Employees of the Group are prohibited from receiving commissions from counterparties, Business Partners and competitors of the Group.
4. Every Director or Employee must ensure that their personal business dealings with suppliers and customers are on an arms-length basis e.g. purchases which are on no more favourable terms than those offered to the public.

5. CONFLICT OF INTEREST

OUTSIDE EMPLOYMENT AND ACTIVITIES OUTSIDE THE GROUP

1. As a full-time Employee, you must not take up employment outside the Group or engage in any outside business and/or service which may be in competition with the Group or give rise to actual or perceived or potential conflict of interests with your duties in the Group.
2. Unless written approval is obtained, you are not allowed to be a member of the government, quasi-government or statutory bodies or become office bearers, council member, committee member of trade or professional associations.
3. All fees and/or remuneration that you receive in connection with such membership must be paid over to the Group. This restriction does not apply to social or community-related clubs and associations.

BOARD MEMBERSHIP

1. You may only be allowed to serve on the boards of government agencies and/or bodies and/or companies and/or unincorporated entities outside the Group in exceptional circumstances, with written approval from the Group Managing Director and the Group Chief Financial Officer. For the Group Managing Director and the Group Chief Financial Officer, the Board Chairman's approval is required. All fees and/or remuneration that you receive in connection with such service must be paid over to the Group.
2. The exception to this is where such board appointments relate to family businesses or companies or unincorporated entities formed by not-for-profit organisations (e.g. social or community-related clubs and associations).

5. CONFLICT OF INTEREST

FAMILY MEMBERS AND CLOSE PERSONAL RELATIONSHIPS

1. A Director or Employee should not hire, recommend hiring, exert influence over hiring decisions, supervise, affect terms and conditions of employment or influence the management of any family members engaged by the Group. Family members of Directors or Employees may be hired as Employees or consultants only if the appointment is based on qualification, performance, skills and experience, and in accordance with the Group's hiring policies and procedures.
2. A Director or an Employee must also disclose business activities in the Group which involve family members and refrain from any related decision making process.
3. Any substantial interest held by the Director's or Employee's family members in a competing company or other related companies must be declared.

INVESTMENT ACTIVITIES

1. Personal investment decisions made by a Director or an Employee must not influence his/ her independent judgement on behalf of the Group.

6. BUDGET PREPARATION CONTROL

BUDGET PREPARATION

1. The financial management of the Group shall be carried out and monitored through an Annual Budget incorporating revenue, operating expenses and capital expenditure requirement of the year.
2. Each division and/or department shall be responsible for the preparation of an Annual Budget of their respective sections by the end of September in the current year for consolidation and optimization to produce a proposed Annual Budget for the following year.
3. The proposed Annual Budget shall be submitted for Board of Directors' consideration and approval before the end of the year.
4. Annual Budget shall consist of:
 - a. an Executive Summary that outlines the objectives, the proposed approach and strategies to achieve it;
 - b. detailed budget allocation for operating expenses proposed for the following year including a forecast up to three years;
 - c. forecast financial statements including profit and loss account, balance sheet, and cash flow statement up to three years;
 - d. forecast capital expenditure up to three years; and
 - e. forecast customer base and revenue growth up to three years.

6. BUDGET PREPARATION CONTROL

BUDGETARY CONTROL

1. The Group Managing Director (GMD) shall be responsible for the overall performance and achievement of the objectives laid out in the approved annual budget.
2. Monthly financial statement prepared shall include analysis of variances to budget with explanation on the causes of the variance and any proposed action plans to remedy all adverse variances.
3. The respective budget holders are responsible and accountable for the variances.
4. Allocation on operating expenses approved in the Annual Budget may be transferred among the various regions, divisions and / or departments by the GMD.
5. All changes in budget allocation shall be approved by the GMD and ratified at the subsequent Board meeting.
6. The approved Annual Budget shall be reviewed by the end of July in the year concerned.
7. All changes to the Annual Budget shall be submitted by middle August to the BOD for approval.

7. ENTERTAINMENT

PROVIDING ENTERTAINMENT

1. The Company recognises that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external clients.
2. As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.
3. Employees and directors should always exercise proper care and judgment when providing entertainment to third parties especially when it involves Public Officials to ensure compliance with anti-bribery and corruption laws.
4. Employees and directors are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of the CoBE.
5. Employees are required to comply with the policies and procedures of the Corporate Resource and Administration Department, and maintain expenses within the limits of their entitlement, when carrying out entertainment activities.
6. Any entertainment activities that would involve Public Officials shall require the prior approval of the Head of Department or the Head of Operating Unit in consultation with your legal department or the Corporate Governance and Compliance Unit.

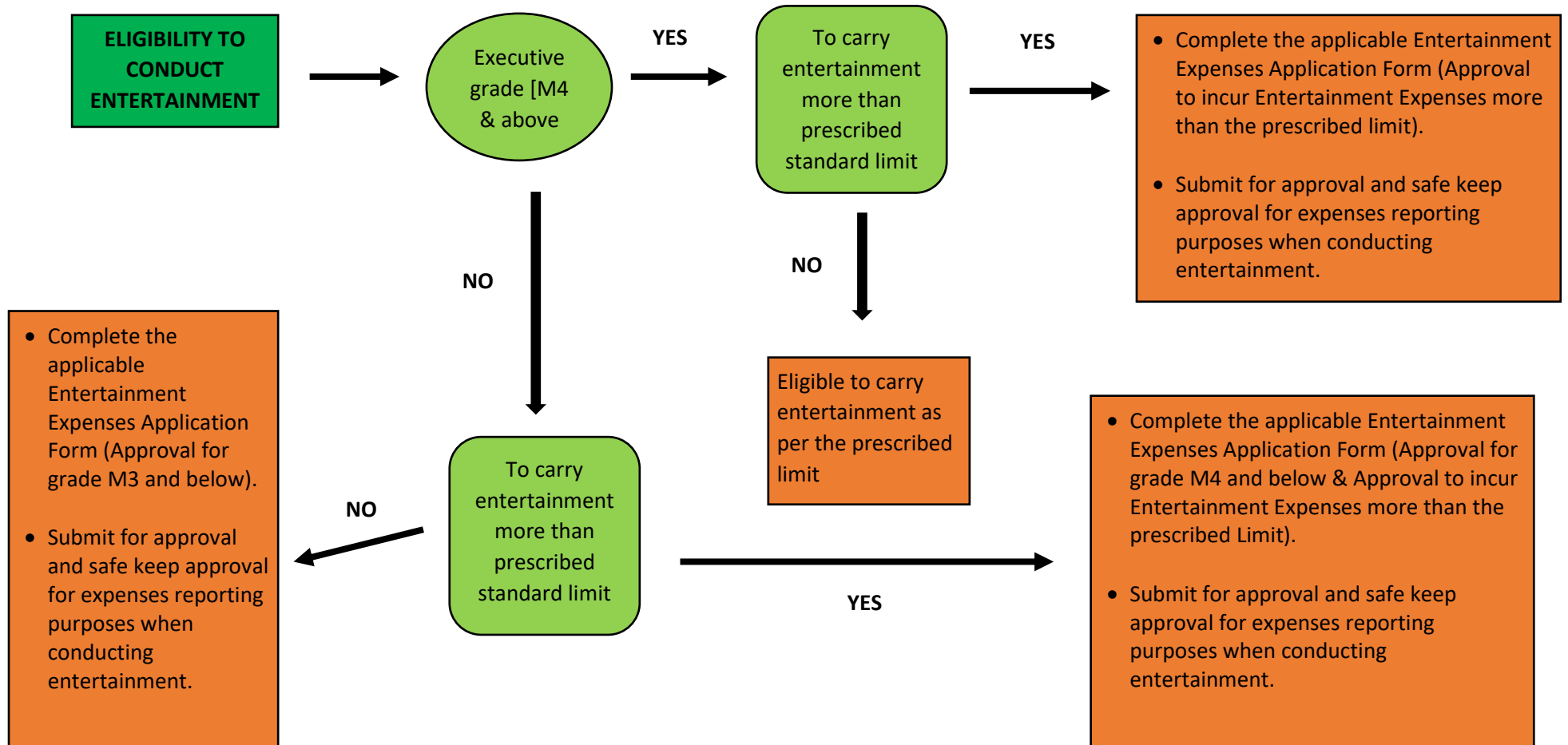
7. ENTERTAINMENT

RECEIVING ENTERTAINMENT

1. The Company recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.
2. It is important for Employees and directors to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard the Company's reputation, but also to protect Employees and directors from allegations of impropriety or undue influence.
3. Employees are required to comply with the policies and procedures of their Corporate Resource and Administration Department in relation to receiving entertainment from third parties.
4. In no event, however, Employee or any of the Employee's family and/or household members accept entertainment in exchange for an exercise or non-exercise of your authority or otherwise to the detriment of the Company.

7. ENTERTAINMENT

ELIGIBILITY TO CONDUCT ENTERTAINMENT ACTIVITIES



8. FACILITATION PAYMENT

DEFINITION

1. The term “facilitation payments” generally means payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.
2. Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.

MAKING FACILITATION PAYMENT

1. The Company adopts a strict stance that disallows facilitation payments. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.
2. All Employees must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If you receive a request or if you are offered facilitation payments, you must report it to your Head of Department or the Head of your Operating Unit.
3. In addition, if a payment has been made and Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. They must also ensure that the payment has been recorded transparently.

8. FACILITATION PAYMENT

EXCEPTION TO MAKING FACILITATION PAYMENT

1. However, there are certain situations or circumstances where Employees are faced with having to make facilitation payments in order to protect his/her life, limb or liberty.
2. The Company equally uphold the safety of all Employees as priority. In the event that an Employee's safety is at stake, a facilitation payment to protect the Employee is permitted if:
 - a. that is the immediate available recourse to protect the safety of the employee; and
 - b. the Group Managing Director and the Group Chief Financial Officer's approval has been obtained; or payment under the state of emergency had been undertaken, after which the Group Managing Director and the Group Chief Financial Officer's approval must be retrospectively obtained as soon as possible.
3. Making facilitation payment in such a situation is the only exception which can be used as a defense when faced with allegations of bribery and corruption.

9. GIFTS

“NO GIFT” POLICY

1. The Company has adopted a “No Gift” policy whereby, subject only to certain narrow exceptions, the Company’s Employees and directors (executive and non-executive), family members or agents acting for or on behalf of the Company’s Employees, directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts.
2. The Company 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 the Company and external parties as a gift can be seen as a bribe that may tarnish the Company’s reputation or be in violation of anti-bribery and corruption laws.
3. A conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in the Company for his or her personal benefit, including the benefit of his or her family/household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by the Company from its Employees and directors in the performance of their duties and obligations.
4. It is the responsibility of Employees and directors to inform external parties involved in any business dealings with the Company that the Company practices a “No Gift Policy” and to request the external party’s understanding for and adherence with this policy.

9. GIFTS

RECEIVING GIFTS

1. The Company is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette.
2. Despite acknowledging the Company's "No Gift policy", some external parties may still insist in providing gifts to the Company's Employees, directors and/or their family members in certain situations which do not fall within the general exceptions.
3. Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of the Company is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever the Company's business relationship with the third party. However, in no circumstances may an Employee, director or his/her family/household members accept gifts in the form of cash or cash equivalent.
4. In these limited circumstances, Employees are expected to immediately record the gift in the Gift Register or any other form as provided by your Human Resource Department for submission to your Head of Department/Division who will then decide whether to approve the acceptance of the gift or require it to be returned.
5. Directors should inform the Company Secretary, as soon as reasonably practicable, to seek his/her advice when faced with a similar situation.
6. Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then clearly the Head of Department/Division cannot approve the acceptance of said gift (in the case of directors, the Company Secretary would advise the same). In this situation, the gift must be politely returned with a note of explanation about the Company's "No Gift" policy.

9. GIFTS

RECEIVING GIFTS

7. In the event the Head of Department/Division approves the acceptance of the gift, he/she must also determine the treatment of the gift whether to:
 - a. Donate the gift to charity; or
 - b. Hold it for departmental display; or
 - c. Share with other Employees in the department; or
 - d. Permit it to be retained by the Employee.
8. In determining the above, Heads of Department/Division are expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position/ seniority of the person(s) providing the gift, the business context, reciprocity, applicable laws and cultural norms.

PROVIDING GIFTS

1. Generally Employees are not allowed to provide gifts to third parties with the exception of the Chairman & Group Managing Director and the Group Chief Financial Officer and any other officers identified in the gift and entertainment policy of the respective jurisdictions.

9. GIFTS

EXCEPTION TO “NO GIFT” POLICY

1. Although generally the Company practices a “No Gift” Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:
 - a. Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property);
 - b. Gifts from Company to external institutions or individuals in relation to the Company’s official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
 - c. Gifts from the Company to employees and directors and/or their family members in relation to an internal or externally recognised Company function, event and celebration (e.g. in recognition of an employee’s/director’s service to the company);
 - d. Token gifts of nominal value normally bearing the Company’s logo (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the Company’s brand building or promotional activities; and
 - e. Gifts to external parties who have no business dealings with the Company (e.g. monetary gifts or gifts in-kind to charitable organisations).

9. GIFTS

EXCEPTION TO “NO GIFT” POLICY

2. Even in the above exceptional circumstances, Employees and directors are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles set out in the CoBE as per below:
 - a. Conscientiously maintain the highest degree of integrity,
 - b. Always exercise proper care and judgment,
 - c. Avoid conflicts of interest,
 - d. Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of the Company, and
 - e. Comply with applicable laws, regulations and company’s policies and procedures.

9. GIFTS

- Specifically, the following was designed to assist in the application of the above principles:

	Acceptable	Tolerable	Cautious	Prohibited
<i>Transparency</i>	Full disclosure (recorded)	No risk of embarrassment upon disclosure	Concern arise on public's perception ("newspaper test")	Non-compliance with disclosure requirement or limits imposed by recipient's organisation Concealment or false records of gifts
<i>Recipients</i>	Recipient is an organisation	Recipient's organisation permits exchange of courtesies	Gifts involves associated recipients (e.g. spouse, family)	Individual recipient has the authority to affect business outcome
<i>Ability to Influence</i>	No pending business decision before the recipient			There is a pending business decision before the recipient
<i>Value</i>	Modest, low value	Moderate value and occasional	Exceeds prescribed threshold	Excessive, cash or cash equivalent
<i>Purpose</i>	Promotional activity	Clear and legitimate	Building relationship / rapport	Given in exchange for something in return

10. CORPORATE HOSPITALITY

INTRODUCTION

1. Corporate hospitality is generally defined as “corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”.
2. Third parties may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists. Corporate events and activities include but are not limited to sporting events, gala dinners, concerts or activity based events such as golf tournaments.
3. Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate vs. illegitimate forms of corporate hospitality.
4. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.
5. Corporate hospitality would be illegitimate in the following situations:
 - a. If it provides an advantage to another person if offered; or
 - b. If it is given with the intention of inducing the person to perform a relevant function improperly; or
 - c. If there is knowledge that acceptance of the advantage would in itself be improper performance.

10. HOSPITALITY & TRAVEL EXPENSES

PROVIDING CORPORATE HOSPITALITY

1. The Company recognises that providing corporate hospitality to its stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.
2. While providing corporate hospitality is a reflection of the Company's courtesy and goodwill, the respective Heads of Department/Division must exercise proper care to protect the Company's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures.
3. There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to the Company's corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve Public Officials.
4. The Company is committed to comply with applicable laws governing the provision of corporate hospitality to third parties, especially when it involves Public Officials, and therefore expect Employees to undertake the following:
 - a. to publicise and make clear the Company's policy on providing and receiving corporate hospitality;
 - b. to obtain all necessary approvals for the issuance of complimentary tickets or passes to corporate hospitality events in accordance with the Company's limits of authority;
 - c. to expressly notify the recipients in writing that all complimentary tickets or passes are NON-TRANSFERABLE (e.g. the terms and conditions for use to be printed on the tickets, passes or invitations). In the event that the recipients are unable to attend, he/she is expected to return the tickets or passes to the Company.
5. All expenses incurred to provide the corporate hospitality must be properly documented, receipted and recorded in the Company's records.

10. CORPORATE HOSPITALITY

RECEIVING CORPORATE HOSPITALITY

1. As a general principle, the Company strictly prohibits Employees and directors from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise (for e.g. contractors, vendors, suppliers etc.).
2. Notwithstanding the above, the Company recognises that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships.
3. However, it is important for Employees and directors to exercise proper care and judgement before accepting the hospitality. This is not only to safeguard the Company's reputation, but also to protect Employees and directors from allegations of impropriety or undue influence.
4. If Employees have any doubts on the appropriateness of a corporate hospitality offered by an external party for e.g. a contractor or supplier, the employee concerned should either decline the offer or consult their Head of Department/Division. In the case of directors (executive and non-executive), they should seek the advice of their respective Company Secretary.

11. POLITICAL CONTRIBUTION

SOP ON POLITICAL CONTRIBUTION

1. As a matter of general policy, the Company does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.
2. The Company may, in very limited circumstances, make political contributions in countries where such contributions are permitted under the law. The authority to approve such political contributions is with the Chairman/ Group Managing Director and the Group Chief Financial Officer or the respective Board of Directors.
3. If any contribution is made, it must be permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return and must be accurately reflected in the Company's books and records.
4. Good faith payments to a government entity such as payments required by contract or law, are not prohibited, so long as they are made with due care to the government entity and not to any individual official.
5. The Company encourages Employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Company for a personal political contribution.
6. Employees are prohibited from acting on the below without first obtaining approval from their respective Head of Department:
 - a. using their position with the Company to try to influence any other person (whether or not employed by the Company) to make political contributions or to support politicians or their parties in any country;
 - b. make any contribution or incur any expenditure using the company's resources to benefit any political campaign, party or politician in any country; or
 - c. the use of the Company's facilities, equipment and resources for any political campaign or party functions.

12. SPONSORSHIP & DONATION

SOP ON SPONSORSHIP & DONATION

1. Employees must ensure that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the CoBE, including in particular, the prohibition on bribery.
2. The Company needs to be certain that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials, and must 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.
3. In accordance with the Company's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:
 - a. ensure such contributions are allowed by applicable laws;
 - b. obtain all the necessary internal and external authorisations;
 - c. be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
 - d. be accurately stated in the Company's accounting books and records; and
 - e. not to be used as a means to cover up an undue payment or bribery.
4. Examples of red flags for employees to look out for are as follows:
 - a. The proposed recipient / organisation has affiliations with a Public Official or their relatives are involved;
 - b. The contribution is made on behalf of a Public Official;
 - c. There is a risk of a perceived improper advantage for the Company;
 - d. 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.
5. The Company requires Employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from their Corporate Affairs Department or Legal Department or escalate the matter to Group Strategic Communications Division to determine the authenticity of such requests.

12. SPONSORSHIP & DONATION

DUE DILIGENCE CHECKLIST

1. Before making a commitment to sponsorship or donation requested by external stakeholders, you must first conduct proper due diligence to ensure that the requests are legitimate and that any red flags raised are resolved prior to committing the funds.
2. The request is evaluated against the Company's SOP on sponsorships and donations and meets the following criteria:
 - a. The request does not fall under the list of activities which the Company does not support or contribute to (refer to **Group Strategic Communications Division**);
 - b. There is no risk of a perceived improper advantage for the Company;
 - c. The proposed recipient is a legitimate organisation and proper due diligence are made/background checks;
 - d. The proposed recipient /organisation does not have affiliations with a Public Official.
 - e. If the request meets the above requirements and it is reasonably ascertained to be legitimate in nature, you can proceed to prepare a recommendation or memorandum seeking Management's approval as per the SOP on limits of authority.
3. If the request comes from a high risk country (countries perceived to have high levels of corruption), or the proposed beneficiary is based in a high risk country, or the activity takes place in a high risk country or the proposed recipient is Government owned or if a Government Official or their relative is involved and it is reasonably expected that the Company's subsidiary may have business that could be influenced by that Government Official or the Government Official's agency, ministry or department, a memorandum must be sent to Group Strategic Communications Division for review as to whether or not the proposed investment/sponsorship or donation should proceed and if deemed necessary, the Corporate Governance and International Compliance Unit should be consulted to ensure compliance with anti-bribery and corruption laws.

13. PERFORMANCE APPRAISAL

INTRODUCTION

1. Performance Appraisal is a written evaluation of job performance and achievements of the employees. The evaluation not only serves to identify areas that may need improvement, but also to document good performance and monitor each Employee's professional development.
2. It is also a beneficial means of communication for both the Employee and his/her immediate superior to discuss job performance and goal setting.
3. The Evaluation will be carried out annually or when an Employee is due for confirmation. A progressive/periodical review is also encouraged for further performance improvement, if deemed necessary.
4. The annual evaluation/performance review shall be carried out at the end of the year and Employees will be evaluated on the basis of their performance in fulfilling assigned responsibilities as set forth in their job description.
5. Based on the ratings of the performance appraisal, the Company may decide on the rewarding system to be given to the Employees.
6. It also allows the Company to determine career development and training programmes for the employees.

13. PERFORMANCE APPRAISAL

PROCEDURE FOR PERFORMANCE APPRAISAL

1. When an evaluation/performance review is deemed necessary, a Performance Appraisal form will be distributed to the appropriate immediate superiors/Heads of Department/Division.
2. The immediate superiors/Heads of Department/Division shall discuss the Employees' achievements for the review period, set goals/objectives for the next review period and rate the Employees against a list of established attribute criteria and scores their performance on a scale specified in the prescribed form.
3. An appraisal is considered completed only after it has been discussed with the Employee and the immediate superior of the Employee and the Head of Department/Division has signed the appraisal form.
4. The signature of the Employee is needed to indicate that the Employee performance and the appraisal have been discussed with the Employee in the presence of his/her immediate superior.
5. The completed form shall then be returned to the Corporate Resources & Administration Department for records purposes and the overall score calculated shall be used to determine how the Employee has performed during the entire review period/year.

14. PETTY CASH

THRESHOLD & APPROVING AUTHORITY

1. Petty Cash shall be operated on an impress system. Petty cash claim shall not exceed RM200 per transaction. However, a higher value may be approved if it is found practical and cost effective.
2. A duly appointed person shall be designated as the petty cash custodian and will be responsible to maintain a petty cash register.
3. Petty cash register should be reconciled with appropriate documents within accounting period.
4. All claimants must fill in the petty cash voucher and attach the original bills / receipt. These documents must be stamped "PAID" upon payment. All payments must receive prior approval from the Finance Manager.
5. Petty cash custodian must claim for reimbursement once the cash balance reach RM100 and such reimbursement claim must be supported with schedule of payments made.
6. Reimbursement must also be made at the end of each calendar month. Petty cash receipt should be recorded immediately upon collection from finance office.
7. Petty cash should not be held by the disbursing officer to cover cash disbursements.

PROJECT PETTY CASH

1. Project petty cash may be instituted where it is found practical. This project petty cash shall be subjected to the same rules and regulations as the petty cash with the exception that the cash float maximum may be increased by CEO. The Project Manager shall be the custodian for project petty cash.

15. RECRUITMENT

SOP ON RECRUITMENT

1. The Company, being a diversified business entity, provides equal opportunity for any qualified and competent individual to be employed by the Company from various multicultural and multiracial background, sourced from externally, local and internationally.
2. The recruitment of Employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.
3. In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision making obligations.
4. If any employee find or suspect that another person subject to this policy has violated or about to violate this policy or applicable law, whether deliberately or inadvertently, the employee concern must forthwith report the same, in writing, to the Head of Department or Corporate Resources & Administration Department.