

## ANTI-BRIBERY AND CORRUPTION POLICY

### 1. INTRODUCTION

Corruption has wide ranging impact on businesses and society at large. It threatens ethical values, undermines healthy competition, and damages an organization's reputation, to name a few, and is antithetical to the core values of the Company.

In furtherance of the Company's commitment to conducting its business activities ethically, professionally, and with high standards of integrity, the Company takes a zero-tolerance stance against all forms of bribery and corruption, and has developed this Anti-Bribery and Corruption ("ABAC") Policy to guide the decision and action of the Company and its employees from all levels.

This policy is also developed as part of the Company's compliance exercise to ensure that the Company and its employees fulfil the legal and regulatory requirements prescribed under various anti-bribery and corruption laws in jurisdictions that the Company has business dealings in.

Employees are required to read, familiarize themselves with and comply with this ABAC Policy. As failure to comply with the anti-bribery and corruption laws could lead to criminal and civil penalties, the Company will not hesitate to take stern actions against employees who are found infringing this ABAC Policy.

### 2. DEFINITION

Bribery	<p>For the purpose of this ABAC Policy, bribery is defined as any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 ("MACCA").</p> <p>It includes an act where a person:</p> <ul style="list-style-type: none"><li>(a) solicits or receives or agrees to receive;</li><li>or</li><li>(b) gives, promises or offers,</li></ul> <p>any gratification in order to obtain a benefit or advantage of any form.</p>
Company	<p>means Socar Mobility Malaysia Sdn Bhd ("SMMSB"), its subsidiaries and affiliated companies (collectively known as the "Company").</p>
Corruption	<p>The Transparency International definition of corruption is 'the abuse of entrusted power for personal gain.'</p> <p>For the purpose of this ABAC Policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving 'gratification' under MACCA.</p>

Exposed position	A staff position identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited to any role involving procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the company has identified as vulnerable to bribery.
Gratification	<p>‘Gratification’ shall have the meaning defined in MACCA which includes but is not limited to anything of monetary and non-monetary value or benefit to the person.</p> <p>Gratification can be subdivided into the following non-exhaustive categories:</p> <p><b>Monetary</b></p> <ul style="list-style-type: none"> <li>● Money</li> <li>● Donation</li> <li>● Gift</li> <li>● Loan</li> </ul> <p><b>Of monetary value</b></p> <ul style="list-style-type: none"> <li>● Property (movable or immovable)</li> <li>● Discount</li> <li>● Contract</li> </ul> <p><b>Employment</b></p> <ul style="list-style-type: none"> <li>● Office or position</li> <li>● Contract of employment</li> </ul> <p><b>Non-monetary value</b></p> <ul style="list-style-type: none"> <li>● Favours of any description</li> <li>● Any forbearance to demand any money or money's worth or valuable thing</li> </ul>

### 3. GENERAL GUIDELINES

- 3.1 This policy applies to the directors (both executive and non-executive), officers, and employees of the Company (including permanent, part-time and contract (fixed-term) employees) and all parties engaged by the Company or performing work or services for or on behalf of the Company (“**Associated Persons**”).
- 3.2 Associated Persons of the Company, whether through intermediaries (e.g. agents, consultants, etc.), directly or indirectly, must not commit any forms of bribery by offering and/or accepting

any gratification for illegitimate purposes, whether for the Company's benefit or otherwise, such as securing the renewal of contract, expediting the application for licence, gaining business preferential treatment, etc.

- 3.3 If in doubt whether a particular act is prohibited under this policy, Associated Persons must consult their supervisor or any officer as may be assigned by the Company for the enforcement of this policy for further instructions on the proper way of dealing with the matter.
- 3.4 Third parties that the Company has business dealings with must report any suspected, attempted or actual bribery and corruption cases in accordance with the procedures as set out in the Company's Whistleblowing Policy, particularly in instances where any Associated Persons have solicited or received and/or attempted to solicit or receive any form of bribery and/or gratification from third parties in the course of their engagement with the Company.
- 3.5 The Company prohibits retaliation against those making reports in good faith, and no employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may have adverse consequences for the Company, such as loss of business or experiencing a delay in business operations.
- 3.6 The prohibition against bribery or corrupt practices apply to the Company's business dealings with commercial ('private sector') and government ('public sector') entities, and includes interactions with their directors, employees, agents and other appointed representatives at all levels.

#### **4. FOCUS AREAS**

##### **A. Gifts, Entertainment**


- 4.1 No Associated Persons are allowed to give and/or receive gifts and entertainment if (to be read disjunctively):
  - It exceeds the monetary value as set out in this policy
  - It puts the Associated Persons in a position of conflict
  - If there is a pending transaction whereby one party has the ability to influence the outcome of the transaction
  - It does not exceed the said monetary value but is of such frequency that it puts the recipient under an obligation to return a favour or which may give rise to the perception that it is done for an illegal purpose
  - It is motivated by an illegal purpose which amounts to an offence
- 4.2 Any gift/entertainment offered/accepted, if any, should be limited, customary, lawful and in accordance with this policy.
- 4.3 Example of gifts and entertainment that are acceptable are as follows:
  - (a) Gifts: corporate promotional, seasonal or festive gifts.
  - (b) Entertainment: refreshments (tea/coffee) or working lunches.
- 4.4 For further guidance, refer to the tables below:

Do's	Don't
<p>a. Communicate the Company's policy to any parties engaging with the Company, and request their understanding and adherence to this policy.</p> <p>b. Exercise good judgement when giving or receiving gifts so as to avoid tarnishing the Company's reputation or creating a negative perception of bribery and corruption.</p> <p>c. Politely refuse or return any gift offers delivered off-site (i.e. your home). This includes festive hampers, vouchers and discounts.</p> <p>d. Report any gifts received, except those that falls within the exceptions, as stated in this policy.</p>	<p>a. Offer or accept any gift of cash or cash equivalents including tickets, discounts, coupons and gift vouchers.</p> <p>b. Offer or accept gifts which do not fall within the limited exceptions, as stated in this policy.</p> <p>c. Offer or accept any gifts that may create a sense of obligation, or comes with a direct/indirect suggestion, hint or expectation of special treatment or create a conflict of interest that would be perceived negatively.</p> <p>d. Accept gifts that are delivered off-site (i.e. your home).</p>

Assessment factors Type of gesture	OCCASION AND PURPOSE	COST (INCL. TAX)	OBSERVATIONS
<b>PROMOTIONAL GIFT</b> (small items such as pens, cases, notebooks, T-shirts, mugs, goodies, etc.)	At any time (communication events, seminars, greetings)	[RM300 and above]	Particular attention must be paid to the frequency of these gifts
		[RM100-RM299]	
		[RM99 and below]	
<b>OCCASIONAL GIFT</b> (hamper, sweets, wines, etc.)	Depending on the circumstances: seasonal gifts (holiday periods), personalised gifts (wedding, birth, etc...)	[RM500 and above]	
		[RM200-499]	
		[RM199 and below]	
<b>ENTERTAINMENT</b> (invitation to work lunches, etc.)	Before signing a contract*	[RM300 and above per person]	Overly-frequent repeated invitations from the same persons during the same period must be carefully monitored, even if these are, individually, limited amounts in accordance with this table.
	Existing contract or outside any contractual relationship (customer relationship, communication event)	[RM100-RM299 per person]	
		[RM99 and below per person]	

**COLOR CODING:**

- The criteria marked in red denotes:
- prohibition

 The criteria marked in orange denotes:

- requires the express written prior authorisation and disclosure of the relevant supervisor in relation to gifts and entertainment from and/or to persons in the private sector.
- the criteria in orange also indicate an absolute prohibition in relation to the amounts of gifts and entertainment to public officials

No authorisation required.

## **B. Donation and sponsorships**

4.5 Charitable donations and sponsorships for legitimate reasons and as permitted by existing laws and regulations are allowed. The Company strictly prohibits the giving and receiving of donations and sponsorships to influence business decisions.

4.6 All requests for charitable donations and sponsorships are subject to a due diligence check and prior approval by the Company.

## **C. Political donations**

4.7 Generally, the Company does not make or offer monetary or in-kind political contributions to any political party, political party official or candidate running for political office.

4.8 The Company may only make political contributions where such contributions are permitted under applicable law(s). The authority to approve such political contributions is with the board of directors of the Company.

4.9 Any political contribution by the Company shall not be made with an intention to obtain or retain business or an advantage for the benefit of the Company.

## **D. Facilitation payments**

4.10 Facilitation payments mean payments made to public officials or any persons or legal entity with the intention of expediting an administrative process (e.g. clearing goods through customs, processing of licence applications, etc.). The payment is meant to smooth the process of a service that the payer is legally entitled to.

4.11 Facilitation payments are strictly prohibited and Associated Persons are expected to notify their immediate supervisor or an officer as appointed by the Company when encountered with any requests for a facilitation payment.

4.12 In addition, if a payment has been made and Associated Persons are unsure of the nature, their immediate supervisor must be immediately notified and consulted. They must also ensure that the payment has been recorded transparently.

4.13 For further guidance, refer to the table below:

Do's	Don't
<ul style="list-style-type: none"> <li>a. Be aware of any signs that you are being asked for or being offered a facilitation payment.</li> <li>b. Communicate Company's stance on facilitation payments to relevant parties you are engaging with.</li> <li>c. Ask for official receipts for all payments.</li> <li>d. Report the incident to your immediate supervisor.</li> </ul>	<ul style="list-style-type: none"> <li>a. Accept or obtain, either directly or indirectly, facilitation payments from any person.</li> <li>b. Fail to report any real or suspected incidents of requests for facilitation payment.</li> </ul>

4.14 Red-flags to look out for:

- Is a payment being requested or solicited for the purpose of expediting or facilitating a service to which there is a legal entitlement, e.g. by a public official for a routine governmental action?
- Is the Company gaining business preferential treatment through making the payment?
- Does the payment appear to be unofficial or covert in any way?
- Is the payment higher than or over and above the standard fee?

If the answer is yes, please report to the People & Transformation Department of the Company.

**E. Dealing with third parties**

4.15 In this policy, third party refers to any person or legal entity that the Company contracts with or hires to carry out any external functions on behalf of the Company, which includes, without limitation to, agents, consultants, contractors, subcontractors, resellers, customs brokers, business contacts, professional advisors, joint venture partners and any other parties supplying goods and services.

4.16 If third parties are engaged:

- it must be for a legitimate need for the services or the goods that they provide;
- the services and goods must be priced at a reasonable market value;
- the receipt of such services and goods are documented.
- due diligence must be carried out in accordance with the Company's procedures.

4.17 Associated Persons are to ensure that any payments made to third parties are for legitimate purposes and must not be tied to giving any form of gratification.

4.18 Third parties are required to contractually agree to refrain from bribery and corruption, and to adhere to all laws on anti-bribery and corruption.

4.19 Any non-compliance by third parties anti-bribery and corruption laws may lead to the review and/or termination of any agreement with such parties.

**F. Conflict of interest**

- 4.20 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 for the Company or exercising judgement on behalf of the Company. Associated Persons should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties. Associated Persons must not use their position, official working hours, Company resources and assets for personal gain or to the Company’s disadvantage.
- 4.21 Employees of the Company shall refer to the provisions under the Company’s Staff Book in managing and dealing with conflict of interest situation. In the event employees deliberately fail to comply with the Company’s conflict of interest provisions in the Staff Book, the Company reserves the right to impose disciplinary actions against the employees including but not limited to dismissal.
- 4.22 For further guidance, refer to the table below:

Do’s	Don’t
<ul style="list-style-type: none"> <li>a. Declare any actual, potential or perceived conflicts of interest to your immediate supervisor.</li> <li>b. Regularly declare any conflicts of interest to your immediate superior or the People &amp; Transformation Department or the Board.</li> <li>c. Declare conflicts of interest when taking up a new position (i.e. through promotions or job transfer).</li> <li>d. Seek conflicts of interest declarations from business associates you intend to deal with or have dealings with.</li> </ul>	<ul style="list-style-type: none"> <li>a. Conceal any actual, potential or perceived conflicts of interest that may put your integrity, credibility and decision making in question.</li> <li>b. Make decisions when there is an actual or potential conflict of interest between you and the other party (such as during contract negotiations or tender evaluation) without first making a disclosure.</li> </ul>

**G. Recruitment, and promotion**

- 4.23 The recruitment of employees must undergo the processes and procedures set by the Company, and all new recruits are screened for, among other things, qualifications and experience.
- 4.24 Associated Persons are responsible to report to the Company in the event an interoffice or intraoffice relationship exists between Associated Persons which may create a real or potential conflict of interest. A conflict of interest exists when related individuals work in the same or different department have a direct or line of authority reporting relationship. Refer to the list below for examples of the types of relationships that may be considered “related individuals”
- By blood or adoption: parent, child, sibling, grandparent, grandchild, first cousin, uncle, aunt, nephew, or niece;

- By a current or former marriage: spouse, brother or sister-in-law, father or mother-in-law, son or daughter-in-law, step-parent, or step-child;
- Romantic, sexual, or other consensual relationships that may give the appearance of favouritism.

4.25 In the event the Company view that any interoffice or intraoffice relationships may give rise to a conflict of interest or a potential conflict of interest, Associated Persons agree to abide with the Company’s instructions or decisions to resolve the conflict.

**5. RESPONSIBILITIES OF ASSOCIATED PERSONS**

5.1 Associated Persons are responsible for understanding and complying with this policy.

**A. Reporting of policy violations**

5.2 Associated Persons who encounter actual or suspected violations of this policy are required to report their concerns. Each Associated Person has a responsibility to ensure that suspected bribery and corruption incidents are reported promptly. For further guidance, refer to the table below:

Do’s	Don’t
<ul style="list-style-type: none"> <li>a. Report any real or suspected cases of bribery, corruption or misconduct through the designated whistleblowing channels as provided in the Company’s Whistleblowing Policy.</li> <li>b. Provide detailed, factual information to assist with the investigation (i.e. who, what, where, when, how).</li> <li>c. Provide your contact details when reporting through whistleblowing channels. While anonymous reporting is allowed, you are strongly encouraged to provide some form of contact details e.g. email.</li> <li>d. Encourage any parties engaging with the Company to report any concerns through the whistleblowing channels.</li> </ul>	<ul style="list-style-type: none"> <li>a. Report false, baseless, or malicious allegations.</li> <li>b. Fear retaliation or reprisal for reporting in good faith.</li> </ul>

5.3 The Company practices an open-door policy and encourages all Associated Persons to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner. The Company sets out secured whistleblowing channels as provided in the Company’s Whistleblowing Policy.



## **B. Non-compliance**

- 5.4 The Company regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment and/or termination of service (as applicable). Further legal action may also be taken in the event that the Company's interests have been harmed as a result of non-compliance.
- 5.5 The Company shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- 5.6 Where notification to the relevant regulatory authorities have been done, the Company shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Associated Persons.

## **6. AWARENESS & TRAINING**

- 6.1 The Company conducts awareness programmes for all Associated Persons, including new recruits or employees transferred to an exposed position to refresh awareness of anti-bribery and anti-corruption measures, and to continuously promulgate integrity and ethics.
- 6.2 Associated Persons are required to attend such trainings as and when required by the Company.

## **7. INDEPENDENT AUDIT**

- 7.1 The Company shall commission an independent audit once every three (3) years on this policy and applicable procedures in relation to anti-bribery and anti-corruption and will update this policy pursuant to its findings.

## **8. REVIEW OF POLICY**

- 8.1 This policy may be reviewed and amended, at the Company's Board of Director's discretion from time to time, as and when necessary, to ensure its relevance and effectiveness in keeping with the Company's changing business environment, administrative or operational needs as well as changes to legislations.