



PERAK CORPORATION BERHAD

ANTI-CORRUPTION AND BRIBERY POLICY

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1.0 INTRODUCTION

The Malaysian Anti-Corruption Commission (“MACC”) Act 2009 which came into force on 1 January 2009 was aimed as a catalyst to improve corruption prevention in Malaysia. In 2018, MACC (Amendment) Act 2018 had been gazetted and the principle of commercial organisation’s criminal liability (corporate liability) was introduced in Section 17A of the Act. The implementation of the corporate liability provision was enforced on 1 June 2020.

Maintaining a workplace culture with strong ethics and integrity is part of a competent governance framework and is fundamental to good organisational performance toward creating a business environment that is fair, transparent and free from bribery and corruption.

Perak Corporation Berhad (“PERAK CORP”) and its subsidiaries (collectively referred to as the “PERAK CORP Group”) stand for a bribe and corruption-free corporate culture.

PERAK CORP Group is committed to preventing any forms of corruption and demonstrate a culture of integrity, transparency, strong corporate governance and adopt a zero-tolerance approach to all forms of corruption. This policy sets out the statements and requirements concerning improper solicitation, bribery, and other corrupt activities and issues that may arise in the course of business.

This policy shall be read in conjunction with PERAK CORP Group’s Code of Conduct, Whistleblowing Policy, MACC Act 2009 and its 2018 amendment.

2.0 APPLICATION OF THIS POLICY

This policy applies to all individual working at all levels and grades, including the board of directors, senior management, managers, officers, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, volunteers, interns, agents, partners, resellers, distributors, sponsors, suppliers, customers, joint ventures, and any associated third parties with whom appropriate contractual arrangements are warranted and have been established with PERAK CORP Group (hereafter together defined as “Associated Third Parties”).

Every time PERAK CORP Group engages and/or retains a third party in connection with any business being sought, PERAK CORP Group shall be required to conduct a review and/or due diligence to determine the reputation, beneficial ownership, professional capability and experience, financial standing and credibility of such third party and the record of third party’s adherence to applicable laws. Any personnel of PERAK CORP Group engages with third party have a responsibility to continue monitoring ongoing activities and to report any improper conduct and/or corrupt practices.

Persons or entities who provide goods or services to PERAK CORP Group or on its behalf must meet PERAK CORP Group’s policies and standards, if failing to do so, the contracts will be terminated with immediate effect and PERAK CORP Group shall actively seek to recover any losses suffered as a result.

Any breach of this Policy will result in disciplinary action (possibly including, but not limited to, termination of employment or contractual relationships) and may also result in conviction for a criminal offence.



3.0 OBJECTIVE

The objectives of this policy are to:

- i. To set out PERAK CORP Group's position on avoiding bribery and corruption practices in all its forms in the Group's daily operations. PERAK CORP Group adopts a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. PERAK CORP Group is also committed in ensuring that the highest level of integrity and ethics are practised throughout the Group by effectively managing the key corruption risks of the organisation in compliance with applicable laws and regulatory requirements.
- ii. Enhance the current controls of PERAK CORP Group's bribery and corruption risks.
- iii. Eliminate any form of bribery and corruption or prevent the occurrence and potential recurrence of bribery or corruption within PERAK CORP Group.

4.0 POLICY STATEMENT

PERAK CORP Group is committed to prevent any forms of corruption and demonstrate a culture of integrity, transparency and strong corporate governance.

To achieve this goal, PERAK CORP Group will:

- i. Compete fairly, ethically and inculcate good corporate governance for all business opportunities as well as to take a zero-tolerance approach to corruption and committed to act professionally, fairly and integrity in all relationships and business dealings.
- ii. Assure the top-level commitment is primarily responsible to ensure the organization demonstrates integrity and fully comply with applicable laws, regulations, policies, procedures and code of conduct.
- iii. Provide budget allocation for anti-corruption initiatives or programs.
- iv. Implement Corruption Risk Assessment within the organization once every three years, with an intermittent assessment conducted when necessary to anticipate the behaviour of a potential fraud perpetrator.
- v. Never give, receive, offer, promise or request a bribe whether directly or indirectly, on behalf or for the benefit of PERAK CORP Group.
- vi. Conscientiously maintain the highest degree of integrity, transparency and accountability in administration.
- vii. Prevent political interference in administration and improve services with better governance.
- viii. Increase the efficiency of employees through human governance programs.

5.0 DEFINITION

For the purpose of this policy, the terms listed below represent its respective definitions:

"Benefits" : Any form of advantages or profits gained by the Board, the Employees, and the Associated Third Parties.

"Bribery" : Offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to that person's duties, action or decision.



- “Gift” : Any form of monetary or non-monetary such as goods, services, cash or cash equivalents, fees, rewards, facilities, or benefits given to or received by the Board, the Employee, and the Associated Third Parties, his or her spouses or any other person on his or her behalf, without any or insufficient consideration known to the Board, the Employees, and the Associated Third Parties.
- “Gratification” : a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property of any description whether movable or immovable, financial benefit or any other with 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, 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 in 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 of duty;
- g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any preceding from (a) to (f).

6.0 ANTI-CORRUPTION & ANTI-BRIBERY

MACC in its official portal (www.sprm.gov.my) describes “corruption” as an 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 function or activity.

The MACC Act stipulates four (4) main offences, being:

- Soliciting / Receiving Gratification (Bribe) - Sections 16 & 17(a) MACC Act
- Offering / Giving Gratification (Bribe) - Section 17(b) MACC Act
- Intending to Deceive (False Claim) - Section 18 MACC Act
- Using Office or Position for Gratification (Bribe) (Abuse of Power / Position) -Section 23 MACC Act

MACC (Amendment) Act 2018, which will be in force on 1 June 2020 introduces two (2) more offences, being:

- Offering / Giving Gratification by commercial organisation (Corporate Liability) – Section 17A MACC Act
- Deemed Parallel Personal Liability for Senior Personnel (Personal Liability) – Section 17A(3) MACC Act



Corruption may include “bribery” which is any offering, promising, giving, requesting agreeing to receive, accepting a gratification, or other advantages with the intention of inducing or rewarding someone to perform their job function or activity improperly. Form of bribery includes kickbacks, inflated commissions, expensive gifts, and excessive or inappropriate entertainment.

This policy prohibits all forms of bribery and corrupt practices, and makes no distinction between whether they are being made to persons in the public or private sectors. PERAK CORP Group’s relationships with public officials and any other parties are based on transparency and integrity. PERAK CORP Group must not directly or indirectly pay, offer or promise any gratification to any public official, party or their family members as an inducement for or reward for acting improperly. Furthermore, PERAK CORP Group must not directly or indirectly pay, offer or promise any gratification to customers, business partners or any other party for the purpose of exerting influence, soliciting payment or other unfair or illegal preferential treatment. Employee will not suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

Directors and Employees are encouraged to familiarise themselves with the offences covered in the MACC Act 2009 and any amendments or re-enactments thereto, to avoid potential liability.

7.0 TYPES OF CORRUPTION

Bribery

Bribery is the most common form of corruption. It is described as the act of conferring a benefit in order to influence an action or decision. It comes in the form of cash, company shares, inside information, sexual or other favours, entertainment, employment or future benefits such as retirement job. The benefit can pass directly to the person bribed, or indirectly to a third party such as friend, relative, associate, favourite charity, private business, and political party or election campaign. Once bribery has occurred, it can lead to other forms of corruption.

Theft

Theft is an act of intentionally and fraudulently takes personal property of another without permission or consent and with the intent to convert it to the taker's use (including potential sale).

Embezzlement

An embezzlement is a form of theft. It occurs where a person dishonestly appropriates money or other assets with which he has been entrusted. E.g. employee responsible to manage petty cash uses the money to buy his items.

Fraud

Fraud involves the false representation of facts, whether by intentionally withholding important information or providing false statements to another party for the specific purpose of gaining something that may not have been provided without the deception.

Extortion

Extortion relies on coercion to induce cooperation, such as threats of violence or the exposure of sensitive information.



Abuse of Function / Position

The abuse of function or position is the performance of or failure to perform an act by a public official, in violation of the law, to obtain an undue advantage for himself/herself or for another person or entity.

False Claim

False claim occurs when someone dishonestly obtaining the property of another by some deception or misrepresentation of fact. E.g. any person providing documents such as receipts or invoices that are false or contain false details, or an employee makes a false claim for overtime or entertainment allowance.

Facilitation Payments

Facilitating payments or grease payments is an act of giving or receiving something of small value, in order the employee to do or omit something, or to do something faster and more effectively or more slowly and less effectively, to the benefit of the person or expedite an administrative process.

Kickbacks or Illegal Commissions

A kickback is an illegal commission paid to someone in exchange for preferential treatment. It may be in the form of money, gift, credit, or anything of value. Paying or receiving kickback is a corrupt practice that interferes with an employee's or a public official's ability to make unbiased decisions. The remuneration is normally negotiated ahead of time.

Favouritism and Nepotism

Favouritism and nepotism all involve abuses of discretion. Such abuses usually do not involve a direct personal benefit to an official but promote the interests of those linked to the official, be it through family, political party, tribe or religious group.

Creating and Exploiting Conflicting Interest

Most forms of corruption involve the creation or exploitation of some conflict between the professional responsibilities of an individual and his or her private interest. The offering of a bribe creates such a conflict where none may have existed hitherto. In both the public and private sectors, employees and officials are routinely confronted with circumstances in which their personal interests conflict with their responsibility to act in the best interests of the state or their employer. Well-run organizations have systems to manage these situations, usually based on clear codes of conduct.

Improper Political Contribution

Donations made with the intention or expectation that the party will, once in office, unduly favour the interests of the donor, is tantamount to the payment of a bribe.

8.0 PENALTIES FOR BRIBERY & CORRUPTION

Section 24 of MACC Act 2009 states the penalty for offences under sections 16, 17, 18, 20, 21, 22 and 23:

- (1) Any person who commits an offence under sections 16, 17, 20, 21, 22 and 23 shall on conviction be liable to:
 - (a) Imprisonment for a term not exceeding twenty (20) years; and



- (b) a fine of not less than five (5) times the sum or value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is of a pecuniary nature, or ten thousand ringgit (RM10,000), whichever is higher.
- (2) Any person who commits an offence under Section 18 of MACC Act 2009 shall on conviction be liable to:
- (a) Imprisonment for a term not exceeding twenty (20) years; and
 - (b) a fine of not less than five (5) times the sum or value of the false or erroneous or defective material particular, where such false or erroneous or defective material particular is capable of being valued, or of a pecuniary nature, or ten thousand ringgit (RM10,000), whichever is higher.

9.0 GIFT, ENTERTAINMENT & CORPORATE HOSPITALITY

No-Gift Policy

- a) PERAK CORP Group adopts a no-gift policy whereby Directors and Employees of PERAK CORP Group, family members or third party acting for or on behalf of PERAK CORP Group and its Directors and Employees are prohibited from directly or indirectly receiving or providing gifts, with the exception of the following:
 - i. Badges, plaques, trophies, handicraft items, or any form of printed materials for the purpose of promotion of private / government agency.
 - ii. Gift / souvenir such as pens, books, diaries, shirts or goodies received during seminar, training, conference and other similar event.
 - iii. Festive, greeting, and thank you card, certificate or any form of appreciation / recognition in writing.
 - iv. Exchange of badge, plaque, trophies, handicraft items, or any form of printed materials between department, agency or company.
- b) As a gift can be construed as a bribe, and in order to avoid conflict of interest for either party in existing or potential dealing between PERAK CORP Group or any third party, Directors and Employees are required to strictly comply with this policy.
- c) As set out in PERAK CORP Group's Code of Conduct, a conflict of interest arises in a situation in which an individual compromises his or her ability to act with total objectivity with regards to PERAK CORP Group's business interest.
- d) It is the responsibility of Directors and Employees to inform external parties involved in any business dealings with PERAK CORP Group that the Company practices a "No Gift Policy" and to request the external party's understanding for and adherence with this policy.



Entertainment

- a) PERAK CORP Group recognizes that providing entertainment to the business partners, clients or stakeholders be it through corporate events, sporting events or other public events is legitimate way to network and build goodwill in business relationships. However, all Employees must ensure their offer appropriate and proportionate entertainment that is legal and reasonable within the scope of their work.
- b) Directors and Employees must always exercise proper care and good judgement when providing entertainment to external parties especially when it involves public officials and must be reminded through all Employees that perceptions is more important than facts.
- c) Directors and Employees 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 Code of Conduct.
- d) It is important for Directors and Employees to exercise proper care and good judgement before accepting entertainment offered or provided by external parties. Directors and Employees are strictly prohibited from accepting entertainment that are excessive, lavish, inappropriate, illegal, or given to influence or pressurize a business decision or with a consideration that a desirable outcome is expected in return
- e) Directors and Employees must not accept or engage in any entertainment that is indecent, sexually oriented or those that might put such Director or Employee in a position of conflict or those that can adversely affect the PERAK CORP Group's reputation. Examples of entertainment that are strictly prohibited by the Group includes, but is not limited to karaoke, body massage, call girls, social escorts, sex workers and any other entertainment of a similar nature.
- f) Directors and Employees must at all times conduct themselves with integrity in relation to accepting entertainment from any party. Directors and Employees or any of their family members must not accept entertainment in exchange for an exercise or non-exercise of their job function or activity.

Corporate Hospitality

- a) PERAK CORP Group recognises that providing corporate hospitality to all stakeholders be it through corporate events, sport events or other public events, is a legitimate way to network, promote goodwill and build business relationships.
- b) While providing corporate hospitality is a reflection of courtesy and goodwill, Directors and Employees 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 be perceived to influence the outcome of business decision.



- c) PERAK CORP Group strictly prohibits any of its Directors and Employees from soliciting corporate hospitality directly or indirectly 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.

10.0 POLITICAL DONATION AND CONTRIBUTION

PERAK CORP Group does not make any donation or contribution to political parties, their officials and candidates. Directors and Employees shall avoid from creating the appearance of making such donation or contribution to any political party, candidate, campaign or movement on behalf of PERAK CORP Group.

Political donation and contribution include, but not limited to:

- Paying for advertisements and other political campaign expenses;
- Buying tables for fundraising dinners organised by a political party;
- Loaning employees to support political events.

However, Directors and Employees who wish to contribute their own time or money to any political activity or fund shall be deemed to be doing so on an entirely personal and voluntary nature. PERAK CORP Group hereby disclaims all connections or associations in relation to its Director's or Employees' personal political contributions.

11.0 SPONSORSHIP & CHARITABLE DONATION

Sponsorship and charitable donations might be subject to bribery if not undertaken for the right and proper reason. PERAK CORP Group is not against sponsorship and charitable donation, as long as it is made in good faith and in compliance with PERAK CORP Group's Code of Conduct and Limit of Authority.

Directors and Employees must ensure that all sponsorship and charitable donation activities are not to be used as a manoeuvre for bribery or used to evade the prohibition of any similar acts. Proper and appropriate due diligence must be carried out to ensure that the recipient of such sponsorship or charitable donation is a legitimate organisation or charitable body and its beneficiaries, and is not a disguised illegitimate payments to government officials or acting as a conduit to fund illegal activities in violation of any applicable laws.

12.0 PROCUREMENT PROCESS AND DEALING WITH THIRD PARTIES

- a) PERAK CORP Group should avoid dealing with any contractors, suppliers, vendor, consultant or any third party suspected of corrupt practices. PERAK CORP Group must also ensure all procurement activities are in line with respective procurement policies and procedures.



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- b) All Employees shall avoid situations in which personal interest could conflict or appear to conflict with the company's business. All Employees prohibited to use personal influence or positions to get the job from the company or enter into any undertaking with third party in which his or her family members and friends have an interest direct or indirectly. All functions involve in the procurement process shall make necessary declaration of interest in such situations before the conduct of the procurement process.
- c) PERAK CORP Group must conduct appropriate due diligence to understand the background of any third party prior to entering into any arrangement or dealing to ensure they comply with acceptable standards in conducting their business.
- d) PERAK CORP Group must also carry out periodic review on Associated Third Parties to ensure continuous compliance.
- e) If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or "red flags" are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress.
- f) Examples of common "red flags" involving third parties includes:
- i. The personal become aware that a third party engages in, or has been accused of engaging in, improper business practices.
 - ii. The personal learn that a Third Party has a reputation for paying bribes, or requiring that bribes are paid to them.
 - iii. A third party:
 - Insists on receiving a commission or fee payment before committing to sign a contract with the PERAK CORP Group, or carrying out a government function or process for the company.
 - Request payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
 - Request that payment is made to a country or geographic location different from where the third party resides or conducts business.
 - Requests an unexpected additional fee or commission to "facilitate" a service.
 - Demands lavish entertainment or gifts before commencing or continuing negotiations or discussions on a matter.
 - Request that a payment is made to "overlook" potential legal violations
 - Requests that you provide employment or some other advantage to a friend or relative
 - iv. The personal learn that a colleague has been taking out a particular Public Official for very expensive and frequent meals.
 - v. The personal receive an invoice from a third party that appears to be non-standard or customized.
 - vi. The personal receive an invoice from a third party that appears to be non-standard or customized



13.0 DEALING WITH GOVERNMENT OFFICIALS

In an effort to build a transparent and fair relationship with government agencies and public officials, PERAK CORP Group's Directors, Employees and associated third parties must exercise caution and put the utmost effort to comply with applicable laws and regulations pertaining to bribery and corruption in Malaysia and in all countries in which PERAK CORP Group operates.

14.0 HIRING & RECRUITMENT

PERAK CORP Group's recruitment, training, performance evaluation, remuneration, recognition and promotion for personnel shall be designed and regularly updated to recognize integrity.

PERAK CORP Group shall conduct a background check of the new personnel for any corruption charge or violations for new hiring. 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. In line with this, proper background checks should also be conducted to ensure the potential employee has not been convicted in any bribery or corruption cases.

More detailed background checks will be made on the candidates for management positions, as they would be tasked with decision-making obligations.

15.0 UNAUTHORISED DISCLOSURE OF CONFIDENTIAL INFORMATION

PERAK CORP Group prohibits unauthorised disclosure of confidential information and unauthorised use of PERAK CORP Group's proprietary information.

16.0 WHISTLEBLOWING POLICY

- a) PERAK CORP Group is committed to the highest standard of integrity, fairness, honesty, decency, respect, transparency and accountability in the conduct of its businesses and operations. It strives to foster and maintain an environment where whistleblowers can act appropriately, without fear of reprisal or retaliation.
- b) The objectives of this policy are to provide an avenue for whistleblowers (who may be Employees within PERAK CORP Group or stakeholders) who have concerns about any suspected misconduct and any intentional act deliberately designed to cause loss to the company to come forward and disclose these concerns in good faith without fear of punishment or unfair treatment.
- c) An employee, who had acted in good faith, is protected against adverse employment actions (termination, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of malpractice or misconduct as per Whistleblower Protection Act 2010 (Act 711) and Section 65 of MACC Act 2009. PERAK CORP Group also seeks to address any alleged or attempted acts of interference, reprisal, retaliation, threats, coercion or intimidation against the whistle-blowers and to protect the whistle-blowers. Any employee who retaliates against a whistle-blower will face disciplinary action.



- d) Employee who is aware or has any knowledge of any form(s) of corrupt activity is required to report such information by filling in an email to *whistleblowing@perakcorp.com.my*.

17.0 RESPONSIBILITIES OF DIRECTORS, EMPLOYEES AND ASSOCIATED THIRD PARTIES

Directors, Employees and associated third parties are responsible for understanding and complying with this Policy. In particular, the role of Directors, Employees and associated third parties included the following:

- a) Be familiar with applicable requirements and directives of this Policy and communicate them.
- b) Always raise suspicious transactions to relevant parties for guidance on next course of action.
- c) Promptly report violations or suspected violations through appropriate channels.

18.0 TRAINING AND COMMUNICATION

Adequate training on this Policy shall be provided to all Directors and Employees and must be communicated to all including associated third parties.

19.0 COMPLIANCE WITH LAWS & REGULATIONS

PERAK CORP Group is committed to continuously abide with applicable laws, rules and regulations of all relevant authorities in all countries in which PERAK CORP Group operates. Appropriate and reasonable measures shall be taken to ensure PERAK CORP Group complies with the Policy, including any amendment thereof.

20.0 REVISION / DOCUMENT CHANGES

This policy will be updated, amended or revised from time to time to ensure its adequacy in implementation and enforcements.