

**EUPE CORPORATION BERHAD**

**ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

(Revised 22 October 2020)

## **Foreword – Statement by Group Managing Director**

At EUPE, we are committed to winning business through honest competition in the marketplace and while practising the highest level of integrity and ethics.

The Management takes a strong stance against the use of corrupt practices. In line with this, the EUPE group of companies, which includes Eupe Corporation Berhad as well as all its subsidiaries and related or associated companies, will abide by the letter and spirit of all applicable anti-corruption laws and regulations and we will do so in accordance with the policies set forth below ("Policy") and the Malaysian Anti-Corruption Commission Act 2009. This Policy applies to anyone working for or providing services for or on behalf of EUPE including but not limited to directors, officers, employees, agents, distributors, consultants and contractors who work for and/or act for or on behalf of EUPE.

The Board of Directors hereby authorise the creation of a Compliance function within the Risk Management and Audit Committee which will be responsible for ensuring that all directors, officers, employees, agents, distributors, consultants and contractors whom this Policy applies to comply with this Policy and implementing appropriate anti-corruption policies based on EUPE's risk assessment. If you have questions regarding this Policy, speak with the Head of Human Resources (for internal parties) or the Head of Corporate Communication (for external parties).

In any event, responsibility for upholding EUPE's commitment to and EUPE's culture of integrity ultimately lies with each person covered by this Policy. It is therefore the obligation of each of individual to whom this Policy applies to read, fully digest, understand, and consult this Policy, to conduct yourself at all times in a manner consistent with these standards.

Directors, officers and employees must not use third parties to perform any act for or on behalf of EUPE which conflicts with this Policy. Unlawful or inappropriate acts committed indirectly through third parties are just as unacceptable as acts committed directly. Employees, directors or officers who engage third parties to work on behalf of EUPE must ensure that these parties are made aware of this Policy and should seek their co-operation in adhering to this Policy.

The Management will regularly review the results of any risk assessment carried out to ensure the constant improvement and evaluation of this Policy and EUPE's entire anti-corruption programme. It will likewise regularly review to assess the performance, efficiency and effectiveness of EUPE's anti-corruption programme and ensure that the programme is enforced.

In order to help meet the objectives of this Policy, we strongly encourage those covered by this Policy to report any suspected or actual corruption incidents, violations of EUPE policies or any inadequacies in EUPE's anti-corruption compliance programme through the whistleblowing channel. EUPE will not tolerate any discrimination or retaliation against any person who, in good faith, reports such concerns or suspected or actual violations in accordance with the EUPE's Integrity Policy (Whistleblowing Policy) and Procedures. Anyone who retaliates against an individual under such circumstances is subject to disciplinary action, up to and including termination of employment or termination of the relevant contract with that person.

Any person who violates our Policy or any anti-bribery laws or regulations, will face disciplinary action, up to and including dismissal or termination of the relevant contract with that person, as well as potential civil and/or criminal liability, which may include imprisonment and/or fines.

In conclusion, I urge you to give the entire Policy and EUPE's entire anti-corruption programme, which the Management fully endorses, your greatest support.

Dato' Beh Huck Lee  
Group Managing Director  
14 May 2020

## 1. INTRODUCTION

This Anti-Bribery and Anti-Corruption Policy (“Policy”) of Eupe Corporation Berhad is applicable to Eupe Corporation Berhad as well as all its subsidiaries and related or associated companies ( “EUPE”) including all their Personnel and Business Associates who perform services for and/or act for or on behalf of EUPE. The Policy is aimed at setting out rules and providing guidance to whoever the Policy is applicable to on how to deal with improper requests for bribes and other corrupt activities and issues that may arise in the course of business.

This Policy should be read in conjunction with EUPE’s other policies, procedures and guidelines. If there is any inconsistency between this Policy and the EUPE’s other policies, this Policy should prevail.

## 2. DEFINITIONS

“**Bribery**” and “**Corruption**” includes the giving, promising, offering, receiving, soliciting or agreeing to receive of ‘Gratification’ which would be considered to be an offence under the Malaysian Anti-Corruption Commission Act 2009 (MACCA), as amended from time to time. There may be Bribery even if no bribe was actually, given as long as it is promised, offered, solicited or agreed to be received. It is an offence and a breach of this Policy even if ultimately no benefit or advantage was received in return.

“**Business Associate**” means any external party with whom EUPE has, or plans to establish, some form of business relationship with that is EUPE’s agents or that performs services for or on behalf of EUPE. This may include joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, tenants, vendors, advisers, distributors, representatives, intermediaries and investors.

“**Donations and Sponsorships**” includes charitable contributions and sponsorship payments made to support the community or corporate activities and political donations. Examples include sponsorship of educational events, corporate social responsibility, supporting non-governmental organisations (“NGOs”), and other social causes;

“**Exposed Position**” means an employment position within EUPE identified as vulnerable to bribery through a risk assessment. Such positions may include 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 EUPE has identified as vulnerable to Bribery;

“**Gift**” includes something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building EUPE’s brand. Gift includes but not limited to corporate gifts such as diaries, table calendars, pens, notepads and plaques.

“**GMD**” means the Group Managing Director of Eupe Corporation Berhad;

“**Government Official**” includes anyone who performs government functions at a national, regional, local, or any other level, including military functions, whether locally or abroad, and also includes officers, employees, and representatives of public international organisations. Additionally as used in this Policy, the term “Government Official” includes not only traditional government officials and those employed by government agencies, departments, or ministries, but also (a) members, officers, employees, and representatives of entities owned or controlled by a national, state, or local government; (b) members, officers, employees, and representatives of

political parties, party officials, and candidates for political office; (c) members, officers, employees, and representatives of registered societies, branches of societies, youth societies and trade unions; (d) judges and other members, officers, employees, and representatives of Courts; (e) members, officers, employees, and representatives of statutory bodies or government owned or linked companies; (f) any officer whose duty it is to take, receive, keep or expend any property on behalf of Government, or to make any survey, assessment or contract on behalf of Government, or to prevent the infraction of any law for the protection of the pecuniary interests of Government, or remunerated by fees or commission for the performance of any public duty, and family members of any person listed in this paragraph.

**“Gratification”** means the following:

- (a) money, donation, Hospitality, 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, any 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).

**“Hospitality”** includes (a) refreshments, (b) accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert and sporting event, (c) complimentary stay or travel, (d) meal and/or (e) use of other facilities such as a spa or golf course at a company-operated property or other venue such as company offices, with or without the personal presence of the host.

**“Personnel”** means directors, officers, employees of EUPE including employees seconded to EUPE.

### **3. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

- 3.1. Bribery and Corruption in all forms relating to EUPE’s activities and business are strictly prohibited.
- 3.2. Therefore, Personnel and Business Associates shall not, whether directly or indirectly, offer, promise, give, receive, agree to receive or solicit any Gratification, in the attempt to illicitly influence or reward the decisions, actions or inactions of a person, either for the intended benefit of EUPE, the Personnel and Business Associates, the persons involved in the transaction or any other person.

- 3.3. Every Personnel and Business Associate would be given access to this Policy which may be amended from time to time. A soft copy of the Policy can be found at [www.eupe.com.my/investor-relations](http://www.eupe.com.my/investor-relations).

#### **4. HOSPITALITY & GIFT**

##### *4.1. Hospitality*

Modest Hospitality offered to or by third parties is common practice and a legitimate way of building business relationships. However, giving, promising, offering, receiving, soliciting or agreeing to receive any Hospitality is only permissible if:

- a) the Hospitality is reasonable and proportionate, and not extravagant or lavish;
- b) the frequency of the Hospitality with the same guest, person or company is not excessive;
- c) the Hospitality is not provided if it coincides with tender processes or other outcomes are pending with the recipient's organisation;
- d) there is a genuine underlying business purpose for the Hospitality, such as the introduction and development of general business relationships, the promotion of EUPE's brands, or the explanation of EUPE's products and services;
- e) the Hospitality is not intended, or could not be reasonably perceived as, a bribe, payoff or kickback;
- f) the acceptance of the Hospitality by the recipient would not result in a contravention of the recipient's applicable policies/codes of conduct or in a breach of this Policy, or any anti-corruption and anti-bribery laws;
- g) the provision of the Hospitality is not (and there is nothing to suggest that it is) with the intention to influence the recipient's decisions or behaviour or with the intention for the recipient to show favour in return for the Hospitality, ; and
- h) if the Hospitality is an invitation to an event, it provides an opportunity to discuss business matters.

Any Personnel or Business Associate who is uncertain about the provision/acceptance of any Hospitality should check with the GMD, or refuse to provide/accept the Hospitality.

##### *4.2. Gifts*

Personnel and Business Associates may provide Gifts of moderate value or receive Gifts of moderate value from third parties, such as during festive occasions, provided the following conditions are fulfilled:

- a) the Gifts are reasonable, proportionate in the context of the occasion it was given and the frequency of the Gifts with the same person or company is not excessive;
- b) the Gifts was spontaneously given and the items have been given openly, not secretly;
- c) the Gifts was not given to a party as part of a direct or indirect request for business or during tender processes or when other outcomes are pending from the recipient's organisation;

- d) the acceptance of the Gift is permitted by the recipient's organisation and is not contrary to this Policy or any anti-corruption and anti-bribery laws; and
- e) the Gift is not given with the intention (and there is nothing to suggest that it is) to influence the decision or behavior of the recipient or perceived as being given with such an intention.

Personnel and Business Associates are allowed to receive modest token gifts such as diaries, calendars or other such “give-away items”.

Gifts of cash or cash equivalent (e.g., gift certificates or investment securities) should not be accepted by any Personnel and Business Associate.

Where Personnel and Business Associates are offered a Gift given in the course of business involving EUPE, other than a modest token gifts described above, and it is not possible to reject the same immediately, they are expected to immediately record the Gift in the Gift Register kept by the Human Resource Department. Where EUPE deems appropriate at its sole discretion, the Personnel and Business Associate must surrender the Gift to EUPE if requested to do so.

Personnel may not receive any Gift or favour from prospective Personnel. Any prospective Personnel who offers any Gift or favour may be disqualified from the selection process.

## **5. DONATIONS & SPONSORSHIPS**

- 5.1 All Personnel and Business Associates are prohibited from soliciting or receiving Donations and Sponsorships from external parties, unless it is in line with the EUPE’s community sponsorship policy and approved by EUPE.
- 5.2 Donations and Sponsorships cannot be used as grounds to cover up Bribery.
- 5.3 Giving of Donations and Sponsorships is permitted subject to conditions provided in the Policy. EUPE prohibits the giving of Donations or Sponsorships in the following circumstances:
  - a) If they are to influence business decisions;
  - b) If they are contrary to the recipient’s applicable policies/codes of conduct or applicable anti-corruption and anti-bribery laws, regulations or policies; or
  - c) If they are used as means to cover up Bribery.

## **6. RECRUITMENT AND APPOINTMENT OF PERSONNEL**

### *6.1. Recruitment Process*

EUPE’s recruitment, training, performance evaluation, remuneration, recognition and promotion for all Personnel, including all levels of management, recognises integrity and ethics and will regularly be updated to reflect this.

### *6.2. Requirement for Due Diligence*

The Human Resource Department and/or Management shall conduct interviews before appointing any Personnel or promoting any existing Personnel to an Exposed Position. These interviews shall be designed to ascertain, as far as possible, whether it is appropriate to employ the prospective Personnel or redeploy the Personnel to an Exposed Position and whether it is

reasonable to believe that they will comply with this Policy and other related anti-corruption policies and controls.

Additionally, in relation to prospective Personnel, background checks should be conducted. Reasonable efforts would be made to verify the documents provided by the prospective Personnel prior to appointing this person. The higher the role held by the person to be appointed, the more checks and verifications need to be performed.

EUPE shall take reasonable steps to ensure that EUPE is not offering employment to prospective Personnel in return for their having, in previous employment, improperly favoured EUPE. Furthermore, EUPE shall take reasonable steps to ensure that the purpose of offering employment to prospective Personnel is not to secure improper favourable treatment for the organisation.

EUPE's other policies including the Selection and Appointment of Non-Executive Directors Policy the Board and Senior Management Diversity Policy will also be applicable as far as relevant. However, if there is any conflict between the aforesaid policies and this Policy, this Policy shall prevail.

## **7. USE OF BUSINESS ASSOCIATES, AGENTS, DISTRIBUTORS AND OTHER THIRD PARTIES**

### *7.1. Agent/Third Party Risks*

All Business Associates are required to comply with this Policy, the EUPE Code of Conduct and Ethics, and all other policies which relate to them.

Business Associates that are not individuals are to ensure that their employees, contractors and agents comply with these documents.

Any Business Associates who wish to appoint sub-contractors or agents to perform services for or on behalf of EUPE, must get express written approval from EUPE and must fulfil the conditions imposed by EUPE. Among other things, these sub-contractors and agents must comply with this Policy, the EUPE Code of Conduct and Ethics, and all other policies which relate to them.

Business Associates shall not represent EUPE or act on behalf of EUPE before any Government Officials or government-controlled entities unless express written approval of EUPE have been obtained.

Business Associates can refer to the Head of Corporate Communication regarding any questions about this Policy that may arise.

### *7.2. Requirement for Due Diligence and Monitoring of Agents*

Prior to appointing (or re-appointing) any Business Associate, Personnel must perform due diligence against the prospective Business Associates to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its dealings with EUPE.

The extent of the due diligence required should be based on the bribery and corruption risk of this Business Associate, among other things. The results of the due diligence process must be documented, retained for at least seven years and produced on request by the custodian of the process.

### *7.3. What Due Diligence Measures Should be Applied?*

Personnel appointing a Business Associate shall check the following in the course of the due diligence exercise and reasonable efforts should be made to verify any information obtained from the Business Associate directly before they are accepted as true:

- a) Perform a background check, including identity/company/business search and credit/financial check with the authorities and search and check on the Business Associate's qualifications, experience and resources to perform the services for which it is being considered for appointment;
- b) Identify whether on the web, any government, judicial and international resources or publicly available debarment/offender lists if there has been any reports or other resources on the Business Associate or its top level management or shareholders making improper payments or being involved in corruption or other criminal activities;
- c) Determine if there are any other red flags, such as:
  - Suspicious payment arrangements (such as request for unusually large commission or payment in cash or to a secret or offshore account);
  - Refusal to disclose owners, partners or principals;
  - Request that other parties are named in the contract;
  - Attempted to re-negotiate or get around contractual terms relating to penalties for corruption;
  - Business Associate was referred to EUPE by a Government Official or officer of a public body, or a relevant customer; and
  - Any employee of EUPE has any personal interest in the Business Associate.

In higher risk situations, Personnel should commission a third party due diligence report on the Business Associate to determine the reputation, ownership structure and history of the Business Associate. In such situations, EUPE should conduct interviews with the prospective Business Associate before any appointment.

The results of the checks should be submitted to the GMD and the Risk Management and Audit Committee together with reasons why a particular prospective Business Associate is recommended to be appointed. The Business Associate should only be engaged after the written approval of the GMD and the Risk Management and Audit Committee.

#### *7.4. Principles to be applied to Business Associates*

The following principles apply in relation to any dealings with Business Associates:

- a) There must be a clear and transparent commercial rationale/justification for dealing with any Business Associate that is positioned between EUPE and a Government Official or a customer. This must be documented;
- b) A Business Associate may only be retained on the basis of substantive services that it will provide and its remuneration must commensurate with the services the Business Associate provides and consistent with market rates;
- c) Personnel should not normally agree to use a Business Associate that has been specifically requested or recommended by any Government Official or any licensing body; and
- d) All payments to a Business Associate:
  - must be made by bank transfer to the Business Associate's bank account in

the country in which the Business Associate has its principal place of business or performs substantial services on behalf of EUPE;

- must be made against valid invoices, statements and other documents, appropriately evidencing that services were in fact provided; and
- which is not in accordance with the agreement with the Business Associate must be approved by the GMD.

## **8. FACILITATION PAYMENTS**

Facilitation payment is a payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function. If faced with a request to make such payments, the Personnel or Business Associate must immediately report the request to GMD.

## **9. PUBLIC TENDERS**

EUPE's policy is to act in a transparent way when EUPE participates in any tender process, including tenders issued by government bodies or government-controlled entities.

Where EUPE participates in a tender or Request for Proposal or Tender (RFP) processes, Personnel and Business Associate must ensure that:

- a) any relationships between individuals at EUPE and individuals at the relevant government bodies or government-controlled entities are fully transparent to both EUPE and the government bodies or government-controlled entities;
- b) additional care is taken with regard to the provision of benefits and in particular Hospitality and Gifts to employees or agents of the government bodies or government-controlled entities;
- c) the products and services EUPE are to provide are clearly defined, documented and include full, accurate and clear specifications in compliance with international or specified local standards and that EUPE has the technical expertise to provide the products or services either ourselves or in conjunction with contractors or partners;
- d) the structure for payment is clear, and in particular that the payment represents a fair market value for the products EUPE provides and that EUPE is not required under the contract to make any payment to Business Associates unless these can be objectively justified;
- e) any Business Associates that EUPE uses have the necessary technical expertise to carry out their specified services;
- f) any Business Associates that EUPE uses do not contact with any other bidders in relation to the tender process; and
- g) any Business Associates that EUPE uses comply with related local laws and regulations.

EUPE shall only award contracts after a tender process between at least three competitors, except for works which are urgent in nature or specialised to such an extent that a comparison is not feasible.

## **10. CONFLICTS OF INTEREST**

Conflicts of interest arise in situations where there is a personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on

behalf of EUPE. All Personnel and Business Associate should avoid situations in which their personal interest could conflict with their professional obligations or duties. Personnel and Business Associate must not use their position, official working hours, EUPE's resources and assets, or information available to them for personal gain or to EUPE's disadvantage.

In situations where there is an actual or potential conflict, Personnel and Business Associate are required to declare the matter to GMD.

## **11. RECORD KEEPING**

Personnel and Business Associates are required to maintain all records of information relating to and document the matters set out in or governed by this Policy.

Among other things, EUPE is required to accurately record information regarding all payments in reasonable detail, including the amount of the payment, the recipient, and the purpose for the expenditure. Personnel and Business Associates must ensure that EUPE has accurate and timely information with respect to the amount and ultimate recipient of contract payments, commissions, and other payments. Personnel and Business Associates must also document the purpose, and maintain all necessary approvals for transactions and appointments. Records must be complete and truthful and financial or accounting documents must be recorded in accordance with applicable financial or accounting standards.

If Personnel and Business Associate learn of any false or misleading entries or unrecorded payments, such information must be promptly reported, including to the GMD or through the whistleblowing avenues set out in the EUPE's Integrity Policy (Whistleblowing Policy) and Procedures. Reports may be made anonymously.

## **12. AUDIT AND COMPLIANCE**

Regular audits shall be conducted to ensure compliance with this Policy. Such audits may be conducted internally by EUPE or by an external party. Audit documentation should include performance improvement action plans.

Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the Board of Directors of the relevant EUPE group company in a timely manner in accordance with the level of risk identified. Ultimately, the Board of Directors will be notified of the audits, risk assessments and steps and measures to deal with audit findings and risks identified.

## **13. REPORTING AND INVESTIGATING CONTRAVENTIONS**

Personnel and Business Associates who, in the course of their activities relating to their employment at EUPE or in the course of their dealings with EUPE or for EUPE, encounter actual or suspected violations of this Policy (occurring in Malaysia or otherwise), including any false or misleading entries or unrecorded payments, are required to report their concerns using the reporting channels stated in the Integrity Policy (Whistleblowing Policy) and Procedures.

Personnel and Business Associate must not at any time destroy any material that might be of use to an investigation of a breach of this Policy, or make any disclosure to any person that might be prejudicial to such an investigation. Personnel and Business Associate must comply with any requests by EUPE to provide all relevant information, materials or documents related to an investigation of a breach of this Policy.

EUPE is committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that an actual or potential bribe or other corruption offence has taken

place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. Any Personnel who believe they have suffered any such treatment should inform the Chairman of the Risk Management and Audit Committee.

**14. SANCTIONS FOR NON-COMPLIANCE**

EUPE regards Bribery and Corruption as serious matters and will apply penalties in the event of non-compliance with this Policy. For Personnel, non-compliance may lead to disciplinary action, including but not limited to suspension or termination of employment aside from personal liability for Corruption, including possibly even for Corruption committed by other Personnel and Business Associate.

For external parties including Business Associates, non-compliance may lead to penalties including termination of contract, suspension of proposed or ongoing contracts and/or EUPE’s withdrawal from proposed contracts. Further legal action may also be taken in the event that EUPE’s interests have been harmed by the results on non-compliance by individuals and organisations.

**15. CONTINUOUS IMPROVEMENT AND EVALUATION**

EUPE shall monitor the legal and regulatory regimes where it operates and any changes to EUPE’s business environment and risks and identify opportunities for anti-bribery management improvement.

Regular assessments of the anti-bribery management should be carried out to ensure its scope, policies, procedures and controls match the bribery and corruption related risks faced by EUPE. The Management of EUPE will review the results of any risk assessment to ensure the continued effectiveness of this Policy and all related policies, procedures and controls.

**DECLARATION**

*For individuals*

I, \_\_\_\_\_, hereby declare that I have read and understood EUPE’s Anti-Bribery And Anti-Corruption Policy above. I will abide by the requirements and provisions set out in the Policy.

\_\_\_\_\_  
Name:  
Title:  
Date:

*For other persons*

I, \_\_\_\_\_ of \_\_\_\_\_ (“Party”), hereby declare that I have read and understood EUPE’s Anti-Bribery And Anti-Corruption Policy above. I confirm that I and the Party will abide by the requirements and provisions set out in the Policy.

\_\_\_\_\_  
Name:  
Title:  
Date: