

ANTI BRIBERY POLICY AND PROCEDURES

1. INTRODUCTION AND COMMITMENT

Aeruma Group adopts a zero-tolerance Policy against all forms of Corruption and Bribery. The Group is committed to ensure the effectiveness of this Policy being implemented towards all levels of the subsidiaries. This Policy is developed and designed to provide detailed process and procedures in line with the applicable laws and regulations in Malaysia. The Director and Management at all levels of the Group strive to demonstrate through their deliverables, actions, and behaviour, the importance of integrity and ethical values in support of the Policy.

The Group has implemented and enforced a comprehensive Anti-Corruption Program which are guided by the Guidelines on Adequate Procedures pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Amendment Act 2018”) to prevent, deter, and monitor bribery and corruption in the Group business activities.

Scope of this Policy is for the Employees of the Group and all Parties engaged by the Group or performing work or services for or on behalf of the Group. It is mandatory for all Parties to comply with this Policy when performing work or services.

2. THE LAW

Section 17A (1) – A commercial organisation commits an offence if a person associated with the commercial organisation corruptly gives, agrees to give, promises, or offers to any person any gratification whether for the benefit of that person or another person with intent:

The main offences under the MACC Act are:

- a) Soliciting or receiving gratification
 - any person who solicits or receives or agree to receive (for himself or for any other person) or gives, promises, or offers to any person any gratification as an inducement to or a reward for any person doing or forbearing to do anything.

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- any person accepts or obtains, or agrees to the same, any gratification as an inducement or reward for doing or forbearing to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business commits an offence.
- b) Offering or giving gratification
- any person who gives or agrees to give or offers any gratification to any agent as inducement or reward for doing or forbearing to do, or for having done or forborne to do the same in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business.
- c) Intending to deceive
- any person who gives to an agent, or being an agent, he uses with intent to deceive his principal, any receipt, account, or other document in respect of which the principal is interested, and which he has reason to believe contains any statement which is false or erroneous or defective in any material particular and is intended to mislead the principal.
- d) Using office or position for gratification (abuse of position)
- e) Failing to report when offered bribery
- any person to whom any gratification is given, promised, or offered in contravention of MACC 2009 shall report the same.

Upon section 17A of the MACC Act coming into effect, a commercial organization commits an offence if a person associated to the commercial organization corruptly gives, agrees to give, promises, or offers to any person any gratification whether for the benefit of that person or another person with intent:

- to obtain or retain business for the commercial organization; or
- to obtain or retain an advantage in the conduct of business for the commercial organization.

Where an offence is committed by a commercial organization, a person:

- who is its director, controller, officer, or partner; or
- who is concerned in the management of its affairs,

at the time of the commission of the offence, is deemed to have committed that offence unless the person proves that the offence was committed without his consent or connivance and that he exercised due diligence to prevent the commission of the

offence as he ought to have exercised, having regard to the nature of his function in that capacity and to the circumstances.

Section 17A (6) defines a person associated as a director, partner, an employee, or a person who performs services for or on behalf of the commercial organization.

In relation to Anti-Bribery and Corruption, the Group requires all Employees and related Parties to:

- act lawfully, ethically and in the public interest
- prohibit bribery and corruption; and
- not tolerate illegal or unethical behaviour by clients, suppliers or by public officials.

3. RISK ASSESSMENT

Assessing the risk of Bribery is the crucial part in making sure adequate Anti-Bribery and Anti-Corruption programme are effectively implemented. It allows the Group to have a systematic approach on how to design policies and procedures accordingly.

4. REPORTING CHANNEL

The Group will provide avenues for its employees, any parties acting for and on behalf of the Group and members of the public to make reports on any improper conduct within the Group. This reporting mechanism is governed by the Group Whistleblowing Policy & Procedure. The identity of the informants will be held in strict confidentiality.

The Parties who encounter actual or suspected violations of this Policy are required to report their concerns. The Parties are responsible to ensure that suspected Bribery or Corruption incidents are reported promptly via the channels set out in the Whistleblowing Policy.

Reports made in good faith, either anonymously or otherwise, would be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

5. VIOLATION

The Group will take stern disciplinary action against Employees and terminate business transaction with any party found in breach of this Policy. This Policy will be

reviewed periodically to assess its effectiveness, and in any event, at least once every 3 years.

The Group requires all Employees and other related Persons to:

- avoid any situation or activity that compromises, or may compromise, their judgement or ability to act in the best interest of the Group.
- avoid being in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the Group.
- avoid engaging in activities that will bring direct or indirect profit, commercial or business advantages to the Group competitor.
- avoid acting in ways that may compromise the Group legality.
- identify and disclose any conflicts of interest.
- carefully manage any conflicts of interest.

6. MANAGING GIFTS, HOSPITALITY AND ENTERTAINMENT

The Group adopts a “No-Gift Policy” whereby all employees shall not solicit or accept any gifts from any Third-Party that may have direct or indirect business interest with the Group.

The Group requires all Employees to abide by the Policy to avoid conflict of interest between the Group and the external parties as a gift can be seen as a bribe that may tarnish the Group reputation or be in violation of Anti-Corruption and Bribery Laws.

A conflict of interest arises in a situation in which an individual can take advantage of his or her role in the Group for his or her personal benefit, including the benefit of his or her family and friends. This would undermine the duties of good faith, fidelity, diligence, and integrity as expected by the Group from its employees in the performance of their duties and obligations.

Any gift of cash or cash value (e.g., vouchers, coupons, shares, commissions, etc.) is always prohibited.

The exception to the above is for fruits, flowers, and token gifts/ promotional items (such as pens, diaries, umbrellas, t-shirts, etc.) with an approximate actual value of less than Ringgit Malaysia Two Hundred (RM200.00) Only, as well as hampers (reasonable value) which shall be shared amongst team members or placed in common area/ pantry for staff consumption. In such a case, the staff could choose to

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accept the item and declare the gifts via the Gift Declaration Form. Any gift which violates the terms of “No-Gift Policy” must be declined/returned with an explanation note from the Personnel thanking the third party for the gift but explains politely about the Group “No-Gift Policy” and proceeds to decline/return the gift accordingly.

7. RECEIVING GIFTS

The Group is aware that in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging Aeruma Group “No- Gift Policy”, some External Parties may still insist on providing gifts to the Group personnel and/or their family members.

In the event the Employee is unable to decline/return a gift with an approximate/actual value exceeding RM200; the Employee must declare and surrender such gift to Head of Department or Managing Director. The Group Managing Director shall decide the best way to deal with the gift.

Exception for meals provided or paid for by a Third-Party. In this case, the Employees could accept any meals provided/ paid by a Third-Party to them which is reasonable in value but must declare it via the Gift Declaration Form in the event it exceeds RM200. All declarations (with or without any gift, including entertainment and corporate hospitality) must be submitted to the Human Resources Department immediately without delays.

Should any dispute pertaining to this Policy arise, the final and decisive interpretation, clarification and decision will be made by the Group Managing Director.

8. AUDIT PROGRAMME

The Group shall plan and conduct audit on the Policy and applicable procedures and will report the audit findings to the management for the purpose of continual improvement.

9. POLICY REVIEW

This Policy shall be reviewed during Management Review Meeting annually.