

LAY HONG BERHAD (“LHB”) AND ITS SUBSIDIARIES

(the “Group”)

Anti-Bribery & Corruption Policy  
 (“Policy”)

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## 1. Introduction

- 1.1 This Anti-Bribery & Corruption Policy (“Policy”) sets out the responsibilities of LHB Group and those who work for the Group on the requirements, to observe and uphold the Group’s zero-tolerance position on “bribery and corruption” (collectively known as “corrupt gratification”).
- 1.2 This Policy detail the definition and guidance for those working with the Group. It helps them recognise and deal with corrupt gratification, as well as understand their responsibilities
- 1.3 For definition under this Policy:
  - Bribery means the act of giving or receiving something of value in exchange for some kind of influence or action in return, that the recipient would otherwise not offer;
  - Corruption means the act of soliciting, giving, accepting or receiving gratification, directly or indirectly, to/from a person in authority either in the form of money, services or valuable goods as an inducement or reward to or not to do an act in relation to the person’s principal affairs – in short, corruption is essentially an abuse of entrusted power or position to obtain a personal gain or benefit; and
  - Gratification is defined in Section 3 of the MACC Act 2009 and includes money, donation, gift, loan, fee, reward, valuable security, property or interest in property, employment, appointment, release, forbearance, undertaking, promise, rebate, discount, services employment or contract of employment or services and agreement to give employment or render services in any capacity. The provision or receipt of gratification is not an offence unless it is done corruptly.

## 2. Application

- 2.1 This Policy applies to all employees (whether temporary, contract-basis or permanent), consultants, contractors, trainees, seconded staff, casual workers, agency staff, volunteers, interns, agents, sponsors or any other person or persons associated with the Company, or any of our subsidiaries or their employees, no matter where they are located (within or outside of Malaysia). The definition of such persons associated with the Group accords with Section 17A (2) of the MACC Act 2009. This Policy also applies to Officers, Trustees, Board, and/or Committee members of companies in the Group at any level.
- 2.2 In the context of this Policy, third party refers to any individual or organisation in our Group meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies – this includes their advisors, consultants, representatives and officials, politicians and public parties.
- 2.3 Any arrangements with our Group makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti-bribery and corruption.

### 3. What IS and what IS NOT acceptable

#### Gifts, corporate hospitality & expense

The Group accepts normal and appropriate gestures of hospitality and goodwill (whether given to or received from third parties) so long as the giving or receiving of gifts, entertainment, hospitality & travel meets the following requirements:

- a) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours, positions or benefits;
- b) It is not made with the suggestion that a return favour is expected;
- c) It is in compliance with local laws;
- d) It is given in the name of the organization, not in an individual's name;
- e) It does not include cash or a cash equivalent (e.g. a voucher or gift certificate);
- f) It is appropriate for the circumstances (e.g. giving small gifts around festive seasons or as a small thank you to an organization for helping with a large project upon completion);
- g) It is of an appropriate type and value, and given at an appropriate time, taking into account the reason for the gift, entertainment, hospitality and travel;
- h) It is given or received openly, not secretly;
- i) It is not selectively given to a key or influential person, clearly with the intention of directly influencing them;
- j) It accords with the **limits of threshold, frequency and approval mandate** as pre-determined by the Group; and
- k) It is not offered to, or accepted from, a government official or representative, politician or political party, without the prior sanction based on the Group's approval mandate.

Employees and directors shall exercise proper care and judgements in respect of giving or accepting gifts, entertainment and other benefits to or from any third parties.

The reporting and approval guidelines set forth below must be strictly adhere to:-

Description	Valued at <RM1,000/-	Valued at > RM1,000/-
Gifts (Given/Received)	Inform Compliance officer	Seek Head of department ("HOD") and Chief Executive Officer ("CEO")/ Director approval
Hospitality (Received)	Inform Compliance officer	Seek HOD approval prior to the event
Hospitality (Given)	Follow the usual reporting and approval requirements in accordance with existing policy	Seek HOD and CEO/ Director approval

### 3. What IS and what IS NOT acceptable (cont'd)

#### Facilitation Payments and Kickbacks

The Group does not accept and will not make any form of facilitation payments of any nature. We recognise that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. We recognise that they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.

The Group does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.

The Group recognises that despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put **their or their family's personal security at risk**.

Under these circumstances, the reporting and approval guidelines set forth as follows:-:

Description	Valued at <RM1,000/-	Valued at >RM1,000/-
Facilitation payments and kickbacks	Inform Compliance officer	Seek HOD and CEO/ Director approval

#### Political Contributions

The Group will not make donations, whether in cash, kind or by any other means, to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

#### Charitable Contributions

The Group accepts and encourages the act of donating to charitable organisations as part of its corporate social responsibility initiatives, whether through services, knowledge, time or direct financial contributions (cash or otherwise).

Employees must ensure that charitable contributions are not used to facilitate and conceal acts of bribery. If in doubt, check with the Compliance Officer.

We shall ensure that all charitable donations made are **legal and ethical under local laws and practices**, and that donations are offered or made in accordance with the Group's approval mandate.

### 4. Employee Responsibilities

6.1 As an employee of the Group, you must ensure that you **read, understand and comply** with the information contained within this Policy, and with any training or other anti-bribery and corruption information you are given from time to time.

## 4. Employee Responsibilities (cont'd)

- 6.2 All employees and those under our control are equally responsible for the prevention, detection and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.
- 6.3 If you have reasons to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, you must **notify the Compliance Officer**.
- 6.4 If any employee breaches this Policy, the employee will face disciplinary action and could face dismissal for gross misconduct. The Group has the right to terminate a contractual relationship with an employee if the employee breaches this Policy.

## 5. Reporting channel and consequences

### How to raise a concern?

If you suspect that there is an instance of bribery or corrupt activity occurring in relation to the Group, you are encouraged to raise your concerns at as early a stage as possible. If you are uncertain about whether a certain action or behaviour could be considered bribery or corruption, you should **speak to your line manager, the Compliance Officer, the Chief Executive Officer or Senior Independent Director**.

The Group shall, via the Compliance Officer, familiarise all employees with its whistleblowing procedures so that employees can vocalise their concerns swiftly and confidentially.

### What to do if you are a victim of bribery or corruption?

You must tell your Compliance Officer as soon as possible if you are offered a bribe by anyone, if you are asked to make one, if you suspect that you may be bribed or asked to make a bribe in the near future, or if you have reason to believe that you are a victim of another corrupt activity.

### Protection

If you refuse to accept or offer a bribe or you report a concern relating to potential act(s) of bribery or corruption, the Group understands that you may feel worried about potential repercussions. The Group will support anyone who raises concerns in good faith under this Policy, even if investigation finds that he/she was mistaken.

The Group will ensure that **no one suffers any detrimental treatment** as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.

Detrimental treatment refers to dismissal, disciplinary action or unfavourable treatment in relation to the concern the individual raised.

If you have reason to believe you have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform your line manager or the Compliance Officer immediately.

## 6. Training and communication

- 8.1 The Group will provide training as part of the induction process for all new employees. Employees will also receive **regular, relevant training** on how to adhere to this Policy, and will be asked annually to formally accept in writing that they will comply with this Policy.
- 8.2 The Group's Anti-Bribery & Corruption Policy and **zero-tolerance stance shall be clearly communicated** to all suppliers, contractors, business partners and any third parties at the outset of business relations, and as appropriate thereafter.
- 8.3 The Group shall provide relevant anti-bribery and corruption training to employees, etc., where we feel their knowledge of how to comply with the MACC Act 2009 or other requirements (e.g. the Malaysian Code on Corporate Governance, Bursa's Listing Requirements, Companies Act 2016, etc.) on anti-bribery and corruption needs to be enhanced. As good practice, all businesses in the Group shall provide their employees with anti-bribery training from time to time where there is a potential risk of facing bribery or corruption during work activities.

## 7. Record keeping

The Group shall keep detailed and accurate financial and other records and shall have appropriate internal controls in place to act as evidence for all payments made. We shall **declare and keep a written record** of the amount and reason for gifts, entertainment, hospitality and travel accepted and given, including donations, sponsorships and expenses of similar nature by whatever name called, and understand that such expenses are subject to managerial review.

## 8. Monitoring, reviewing and enforcement

- 8.1 The Group's Compliance Officer is responsible for monitoring the adequacy and operating effectiveness of this Policy and shall review its implementation on a regular basis, including assessing its suitability, adequacy and effectiveness.
- 8.2 **Internal control systems and procedures** designed to prevent acts of corrupt gratification are **subject to regular audits** to ensure that they are effective in practice.
- 8.3 Any need for improvements shall be applied immediately. Employees are encouraged to offer their feedback on this Policy if they have any suggestions on how it may be improved. Feedback of this nature should be addressed to the Compliance Officer.
- 8.4 This Policy does not form part of an employee's contract of employment and the Group may amend it at any time so as to improve its effectiveness at combatting bribery and corruption.
- 10.5 Any employee or person associated with the Group, if found guilty of an act of bribery or corruption in breach of this Policy, shall be dealt with according to the Group's disciplinary measures.

This Policy (Version 1.0) is approved by the Board of Directors of LHB via a resolution dated .....

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