

# JISHAN BERHAD

201901013612 (1322940-P)

## ANTI – BRIBERY AND CORRUPTION POLICY

### 1. INTRODUCTION

Jishan Berhad (“**JISHAN**”) and its subsidiaries (collectively referred to as the “Group”) conduct its business in a legal and ethical manner. The Group requires all employees (including full time, probationary, contract and temporary staff) (“Employees”), Directors of the Group and all third parties (including current and potential customers, suppliers, distributors, business contacts, agents, advisers, consultants, contractors, service providers, government and public bodies)(“Third Parties”) to be committed to acting professionally and with integrity in their business dealings.

The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. This Anti-Bribery and Corruption Policies and Procedures Manual (“P&P”) sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. This Policy is supplemental to, and shall be read in conjunction with the Code of Ethics and Conduct of JISHAN.

### 2. DEFINITION OF BRIBERY AND CORRUPTION

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.

Corruption is the abuse of entrusted power for private gain.

### 3. OBJECTIVE

The objective of the Policy is to provide information and guidance to the Directors and Employees on standards of behaviour to which they must adhere to and how to recognise as well as deal with bribery and corruption.

The Policy is not intended to be exhaustive, and there may be additional obligations that Directors and Employees are expected to adhere to or comply with when performing their duties. For all intents and purposes, the Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

### 4. APPLICABILITY

The Policy is applicable to all Directors and Employees of the Group.

Each Employee has a duty to read and understand the Policy. Violation of any of the Policy’s provisions may result in disciplinary action, including termination of employment.

If a Director requires further clarification on the Policy, the Director may liaise with the Chairman of the Board or the Chief Executive Officer or Managing Director (“**CEO/MD**”), whereas for an Employee, the Employee may refer or highlight any concerns to the immediate superior, Head of Division/Department.

## **5. GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION**

### **5.1. Gifts and Hospitality**

This Policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest and bona fide corporate hospitality.

Some examples of acceptable gifts and/or benefits are as follows: -

- (a) Token gifts offered in business situations or to all participants and attendees for example, work related seminars, conferences, and trade and business events;
- (b) Gifts presented at work-related conferences, seminars and/or business events;
- (c) Gifts given in gratitude for hosting business events, conferences and/or seminars;
- (d) Refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
- (e) Meals for business purposes.

As a general principle, the Directors and Employees should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits. In addition, lavish or unreasonable gifts or hospitality should not be accepted as such gifts or hospitality may be perceived or interpreted as attempts by the Directors or Employees to obtain or receive favourable business treatment for personal benefits.

The Directors and Employees should be mindful in giving or receiving gifts or hospitality as it could be perceived as a way of improperly influencing the decision making of the recipient. Hence, the intention behind the gifts or hospitality should always be considered.

### **5.2. Facilitation Payments to Officer of Public Body <sup>N1</sup>**

Facilitation payments are unofficial payments or other advantages made to secure or expedite the performance of a routine action by an officer of public body. Directors or Employees shall not promise or offer, or agree to give or offer, facilitation payments to an officer of any public body.

1: Public Body as defined in Section 3 of Malaysian Anti-Corruption Commission Act 2009

### **5.3. Third Parties and Agencies**

All third parties, including agents, suppliers and joint venture partners should be made aware of this Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

### **5.4. Charitable Contribution**

Charitable support and donations are acceptable, whether of in-kind services, knowledge, time, or direct financial contributions. However, Directors and Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the CEO/MD. The records of all charitable contributions shall be kept by the Account and Finance Department.

## **6. RECORD-KEEPING**

It is important that proper and complete records be maintained of all payments made to third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with accuracy and completeness.

Employees must declare all hospitality or gifts accepted or offered, and submit details to the respective Head of Division/Department for recording into a register which will be subject to internal audit review. Employees must also ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are approved by the Head of Division/Department and must be specifically recorded the reason for such expenditure.

## **7. COMPLIANCE TO THE LAW**

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the Malaysian Anti-Corruption Commission Act 2009 (including any amendment thereof). The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

## **8. REPORTING OF VIOLATIONS OF THE POLICY**

Whoever knows of, or suspects, a violation of the Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the Group's Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the Policy are available on request. No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.

## **9. REVIEW OF THE POLICY**

The Board will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.

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## **ANTI-BRIBERY AND CORRUPTION PROCEDURES**

### **The Adequate Procedures [T.R.U.S.T]**

The Adequate Procedures are established in accordance to Guidelines on Adequate Procedures (“**GAP**”) published by Malaysian Anti-Corruption Commission (“**MACC**”). Under GAP, there are five main principles which an organisation may use as the reference points for its anti-corruption policies and procedures, namely (1) Top Level Commitment, (2) Risk Assessment, (3) Undertake Control Measures, (4) Systematic Review, Monitoring and Enforcement, and (5) Training and Communication. Following are the Adequate Procedures on T.R.U.S.T.

### **1. Top Level Commitment**

The top level management is primarily responsible for ensuring that the Company:

<b>Requirements per MACC guidelines on adequate procedures</b>	<b>Company Practices</b>
Practices the highest level of integrity and ethics.	The top level management will practice a sound anti-corruption and anti-bribery practices at Company’s level, to give a confident to the public and build a greater clients relationship for the Company
Complies fully with the applicable laws and regulatory requirement on anti-corruption	The top level management will take responsibility at his/her best knowledge to comply with the applicable laws and regulatory requirement on anti-corruption.
Effectively manages the key corruption risks of the Company	Any corruption risk(s) identified, the top level management will make decision for an action taken accordingly.
Promote a culture of integrity within the Company.	The Company has put in place this P&P to promote a culture of integrity within the Company.
Issue instructions on communicating the Company’s policies and commitments on anti-corruption to both internal and external parties	Requirements have been outlined per part 5 of this section, on the communicating the Company’s policies,
Encourage the use of any reporting (whistleblowing) channel in relation to any suspected and/or real corruption incidents or inadequacies in the anti-corruption compliance program.	Refer to Company’s P&P on Whistleblowing.

## 2. Risk Assessment

To form the basis of the Company's anti-corruption efforts, the Company should:

Requirements per MACC guidelines on adequate procedures	Company Practices
Conduct corruption risk assessments periodically.	<p>The corruption risk assessment will be conducted by top level manager or any designated personnel(s) as decided and appointed by the Company (the "Risk Assessment Personnel").</p> <p>The corruption risk assessment will be conducted at least once in every three (3) years. An ad-hoc assessment may be conducted upon requested by Company or as when required by the laws or regulations / other specific requirements (i.e. Bursa LR) relevant to anti-corruption that specifically required to conduct a corruption risk assessment at a more frequent period as defined thereafter.</p>
When there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of the Company.	The Risk Assessment Personnel will identify, analyse, assess and prioritise the internal and external corruption risks of the Company, and summarise into the risk register accordingly
This risk assessment should be used to establish appropriate processes, systems and controls approved by the top level management to mitigate the specific corruption risks the business is exposed to.	This risk assessment will form part of the P&P approved by top level management to mitigate the corruption risk.
Opportunities for corruption and fraud activities resulting from weaknesses in the Company's governance framework and internal systems / procedures.	<p>To assess the following:</p> <ul style="list-style-type: none"> <li>• With reference to this P&amp;P, to assess whether the corruption risk has properly mitigated.</li> <li>• To assess on business activities, any weaknesses in the Company's measures that will expose to the risk of corruption, to highlight the risk in risk register or inform Risk Assessment Personnel for further action.</li> <li>• Any other criteria which can be considered.</li> </ul>
Business activities in countries or sectors that pose a higher corruption risk	<p>To assess on the following:</p> <ul style="list-style-type: none"> <li>• To assess whether has any business activities in other country(ies) with high corruption risk, the risk level and the impact to the Company, etc.</li> <li>• To assess whether has any business activities in a particular sector that pose a higher corruption risk, the risk level and the impact to the Company, etc.</li> <li>• Any other criteria which can be considered</li> </ul>

<p>Any relationship with third parties (e.g. agents, vendors, contractors, and suppliers) which are likely expose the Company to corruption.</p>	<p>To assess on the following:</p> <ul style="list-style-type: none"> <li>• Ensure a documented black and white in place prior establishment of business relationship, whether in an agreement, a letter, or any other types of document that is recognizable.</li> <li>• Person involve on the signing of black and white documentation, and the nature of signing, to assess whether such engagement is pure arrangement for business purposes or there is additional arrangement for certain benefits.</li> <li>• To assess on any other matter besides the above mentioned, to ensure the engagement with third parties are sound practical on the business needs, and logical sense on the establishment of such relationship with the selected third parties.</li> </ul>
<p>Financial transactions that may disguise corrupt payments</p>	<p>To assess whether has any financial transaction breaches ALL of the following:</p> <ul style="list-style-type: none"> <li>• A single transactions;</li> <li>• Accepted by someone under the employment of the Company;</li> <li>• Given by someone at a threshold of RM 25K and above;</li> <li>• Transaction not clearly stated / not appear in the Company's account statement / balance sheet.</li> </ul> <p>If meets ALL the criteria above, to conduct an assessment on the transaction to define whether has involved in any corruption payments, if yes, highlight the risk in risk register or inform the Risk Assessment Personnel for further action.</p>

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**3. Undertake Control Measures**

<b>Requirements per MACC guidelines on adequate procedures</b>	<b>Company Practices</b>
Establish key considerations or criteria for conducting due diligence on any relevant parties or personnel (such as Board members, employees, agents, vendors, contractors, suppliers, consultants and senior public officials) prior entering into any formalised relationships.	<p>HR &amp; Administration Group will conduct due diligence on any recruitment of the Board members/ high level position for the Company.</p> <p>On vendors, suppliers, consultants, or senior public officials, the respective Head(s) and/or Director(s) who deals with them will conduct a due diligence on them accordingly when it is deemed necessary.</p> <p>Any unsuccessful due diligence will not be entered into any formalised relationships.</p>
Methods may include background checks on the person or entity, a document verification process, or conducting interviews with the person to be appointed to a key role where corruption risk has been identified.	<p>Refer to APPENDIX 1 on Due Diligence Checklist</p> <p>Employee: Interview before hire, supporting docs need to attach- resume, certificate.</p>
Establish an accessible and confidential trusted reporting channel (whistleblowing channel)	Refer to part 5 of this section
Encourage persons to report any corruption incidents in good faith	Per Company policies and procedures on Whistleblowing, it encourages persons to report any matters or incidents (which indirectly includes for corruption incidents) in good faith.
Prohibit retaliation on whistleblower	Per Company policies and procedures on Whistleblowing
Managing and improving upon any inadequacies in the anti-corruption framework	<p>Director(s), all Head of Group and Head of Department is to work together in managing the anti-corruption framework.</p> <p>Any inadequacies raised by Director(s) and/or Head of Department and/or any updates from the relevant laws and regulations on anti-corruption and bribery, HR &amp; Administration Group will prepare paper work on the changes in this P&amp;P and submit for Board Resolution prior implementation on the improvement.</p>
Record keeping for managing documentation related to the adequate procedures.	Documentation on this P&P (the adequate procedures) will be maintained by HR & Administration Group
P&P must be endorsed by top level management	<p>This P&amp;P will be submitted for Board Resolution prior formalisation.</p> <p>Any updates or amendments to this P&amp;P will also be submitted for Board Resolution prior enforcement.</p>
P&P must be kept up-to-date	<p>This P&amp;P will be updated:</p> <p>(i) Once in every 3 years, or</p>

	<p>(ii) To be updated when there's substantial changes from any relevant laws and regulations on anti-corruption, subject to the review period of not more than 3 years; or</p> <p>(iii) To be updated at a more frequent basis (e.g. annual review / etc.) upon request by top level management; or</p> <p>(iv) There's requirement by relevant authority (e.g. Bursa on LR / etc.) which requires to review this P&amp;P at a more frequent basis (e.g. annual review / etc.)</p>
P&P must be publicly and easily available	This P&P is publicly and easily available by access to the internet and go to the official website of Jishan Bhd ( <a href="http://www.jishan-group.com">www.jishan-group.com</a> )
P&P must be suitable for use where and when needed	<p>This P&amp;P are interpreted in basic English language, to make it applicable and suitable for use by all level of staff.</p> <p>All staff are able to go to the official website of Jishan Bhd (<a href="http://www.jishan-group.com">www.jishan-group.com</a>) and read this P&amp;P for better understanding when needed</p>

#### 4. Systematic Review, Monitoring & Enforcement

Requirements per MACC guidelines on adequate procedures	Company Practices
Reviews may take the form of an internal audit, or an audit carried out by an external party.	Internal Audit, or assigned External Audit, or any other assigned personnel as decided and appointed by the Board of Directors (the "reviewer"), will carry out the reviews on the anti-corruption based on their scheduled plan.
Ensure the program is enforced	<p>During the review, the reviewer is to review and to ensure the anti-corruption program is enforced.</p> <p>Any anti-corruption program not properly enforced, the reviewer is to raise the concern to Board of Directors, for their decision to give instruction to the senior management on action taken, to ensure the necessary anti-corruption program is enforced per relevant laws and regulations on anti-corruption &amp; bribery.</p>
Ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption program.	The reviewer is to perform a regular review based on their respective reviewer's plan.
The reviews should form the basis of any efforts to improve the existing anti-corruption controls in place in the Company	From the review, the reviewer is to raise the concerns (if any) to the Company for action taken, to improve the existing anti-corruption controls accordingly.



Plan, establish, implement and maintain a monitoring program, which covers the scope, frequency, and methods for review.	The planning, establishment, implementation and maintaining of monitoring program that covers the scope, frequency and methods of review will be based on the schedule of top level's plan.
Conduct continual evaluations and improvements on this P&P.	The assigned department is to conduct continual evaluations and improvements on this P&P periodically per their department's scheduled planning.
Conduct disciplinary proceedings against personnel found to be non-compliant to the program.	Any personnel found to be non-compliant to the anti-corruption program, the Reviewer will take action against the personnel per instructed or informed by the Company

### 5. Training & Communication

Based on the MACC guidelines on Adequate Procedures, the training and communication on anticorruption and bribery will cover 4 areas as below:

- I. Policy - This P&P is publicly available at the Company website, by access to the internet and go to the official website.
- II. Training
  - Course or seminar organized internally or by external training provider; or
  - Self-directed learning via circulation of reading materials from regulators. Reading materials are to be circulated via e-mail to the directors and employees for reading; or
  - Video show on Anti-Corruption and Bribery Awareness.

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## III. Reporting Channel

<b>Criteria</b>	<b>Company Practices</b>
Key point should be communicated	To provide the following: <ul style="list-style-type: none"> <li>• Person involves (by given his/her name &amp; designation)</li> <li>• Matters that relate to (e.g. few quotations but select a vendor with higher price / business interest / etc.)</li> <li>• Amount involves in MYR (an estimated amount to be involved)</li> </ul>
Whom should be communicated	Communicated to the designated personnel per Whistleblowing Policies & Procedures
How to communicate	Via e-mail to the designated personnel per Whistleblowing Policies and Procedures  whistleblowing@jishan-group.com
Time-frame for conducting the communication plan	As soon as practical not more than five (5) business days, subject to any unforeseen circumstances which may occur (if any)
Language of the material to be communicated	English

## IV. Consequences of Non-Compliance

- A fine not less than 10 times of the sum or value of the gratification or RM 1 million whichever is higher; or
- To imprisonment for a term not exceeding 20 years; or
- Both of the above.

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