

# Poh Huat Resources Holdings Berhad

## Anti-Bribery and Corruption Framework

### Table of Contents

1. INTRODUCTION.....	2
2. DEFINITIONS.....	2
3. ANTI-BRIBERY AND CORRUPTION POLICY.....	3
4. GOVERNANCE STRUCTURE .....	4
5. CORRUPTION RISK ASSESSMENT .....	5
6. RECRUITMENT OF DIRECTOR AND EMPLOYEE .....	5
7. MANAGING CONFLICT OF INTEREST .....	6
8. ENGAGING ASSOCIATED PERSONS .....	7
9. GIFT, ENTERTAINMENT, HOSPITALITY AND TRAVEL POLICY.....	8
10. DONATION AND SPONSORSHIP POLICY.....	10
11. BUSINESS INCENTIVES POLICY .....	10
12. WHISTLEBLOWING POLICIES AND PROCEDURES.....	11
13. COMMUNICATION AND TRAINING .....	11
14. ENFORCEMENT, MONITORING AND REVIEW .....	12
15. PROCEDURE ON MANAGING BRIBERY AND CORRUPTION SITUATION .....	14

## 1. INTRODUCTION

- 1.1. In response to the development of the law and regulations in relation to global fight against corruption, including the introduction of corporate liability to Malaysian commercial organisation, via Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009, Poh Huat Resources Holdings Berhad (“Poh Huat” or the “Company”) and its subsidiaries (collectively referred as the “Group”) has established this Anti-Bribery and Corruption Framework (“ABC Framework” or this “Framework”) that sets out the Group’s principles and adequate procedures against bribery and corruption activities in the conduct of its businesses.
- 1.2. This Framework has considered amongst others, guidance issued by the Prime Minister’s Department, i.e. **Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the amended MACC Act 2009**, as well as other international better practices.
- 1.3. This Framework is applicable to the holding company as well as all of its subsidiaries, regardless of the type of operations and/ or geographical locations of these operations.
- 1.4. This Framework, including the policies referred, shall be reviewed when:
  - (a) there is a change in the law or circumstance in the Group’s business;
  - (b) there is a material change in the environment or circumstances in which the Group is operating;
  - (c) the current Framework is found to be inadequate; or
  - (d) at least once every three (3) years.

## 2. DEFINITIONS

The following definitions shall apply to this Group:

- 2.1. **“Bribery”** refers to the act of corruptly offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting any gratification to induce or influence an action or decision, whether directly or indirectly.

Where this Framework refers to the act of “giving”, “providing” or “paying” a bribe it also refers to actions amounting to the act of authorising, agreeing to give, promising, or offering a bribe.

Where this Framework refers to the act of “receiving” or “accepting” a bribe it also refers to actions amounting to the act of soliciting or agreeing to receive a bribe.

- 2.2. **“Corruption”** shall have definition consistent with that provided by Transparency International, which is the abuse of entrusted power for private gain.
- 2.3. **“Gratification”** shall have the meaning as defined in the MACC Act 2009, i.e.:
  - (a) money, donation, 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).
- 2.4. **“Associated Persons”** refers to person or organisation who performs services for or on behalf of Poh Huat. Associated Persons can be categories into Internal and External Associated Persons as follows:
- (a) Internal Associated Persons: Covering Directors and Employees of the Group;
  - (b) External Associated Persons: Covering person or organisation who:
    - performs a service in the Group's name, e.g. contractors, consultants, etc.;
    - represents the Group in any of its dealing with other parties, e.g. agents, distributors, suppliers (in certain circumstances/ arrangements), customers (in certain circumstances/ arrangements), etc.; and
    - strategic business partners, collaboration partners or joint-venture partners.
- 2.5. **“Directors”** include Executive Directors, Non-Independent Non-Executive Directors and Independent Directors of the Group.
- 2.6. **“Employees”** include full-time, part-time, probationary, contract and temporary employee or trainees of the Group.
- 2.7. **“Facilitation payments”** shall have the definition consistent with that provided by *Transparency International*, which is: a small bribe, also called a 'facilitating', 'speed', or 'grease' payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.

### 3. ANTI-BRIBERY AND CORRUPTION POLICY

- 3.1. Poh Huat has established an Anti-Bribery and Corruption Policy (“ABC Policy”) which forms the keystone for the Group's ABC Framework and the relevant policies supporting the Framework. The ABC Policy is applicable to all the Group's businesses (regardless of geographical location) as well as to all its Associated Persons.
- 3.2. The ABC Policy is made publicly available on the Company's corporate website (<http://www.pohhuat.com/images/PDF/CorporateGovernance/Poh%20Huat%20-%20ABC%20Policy.pdf>) to ensure the Group's anti-bribery and corruption stances are made known to all Associated Persons and stakeholders of the Group.

## 4. GOVERNANCE STRUCTURE

- 4.1. In driving Poh Huat towards upholding its anti-bribery and corruption stances, Poh Huat's Board of Directors ("Board"), together with relevant governing bodies of the Group are jointly responsible to establish an ethical business culture within the Group and ensure adequate procedures are in place to identify, assess, and manage bribery and corruption risks.

The respective key responsibilities of the Group's top-level governance bodies in relation to anti-bribery and corruption are as follows:

### 4.2. Board of Director ("Board")

- (a) Promotes a culture of integrity throughout the Group, including determines the Group's stance on anti-bribery and corruption; and
- (b) Overall responsibilities in ensuring the Group's bribery and corruption risks are managed, including via the approval of the Group's ABC Policy and Framework.

### 4.3. Risk Management Committee ("RMC")

- (a) Ensures the Group identifies and manages its key bribery and corruption risks areas, including adequacy of action plans to address high-risk areas.

### 4.4. Audit Committee ("AC")

- (a) Ensures the establishment of an internal control system which provides reasonable assurance that the Group's corruption risks are managed; and
- (b) Reviews, including via internal audit reports, the design adequacy and operating effectiveness of the Group's anti-bribery and corruption-related controls.

### 4.5. Group Chief Executive Officer ("CEO") and Board Chairman

- (a) Manages the investigation of bribery and corruption cases reported (including reported via the Group's whistleblowing channel).

### 4.6. Senior Management

- (a) Implements, maintains and monitors the effectiveness of the Group's anti-bribery and corruption-related controls;
- (b) Conducts corruption risk assessment, including identifying, assessing, managing and reporting to the RMC any significant bribery and corruption risks; and
- (c) Ensures the communication and training of relevant internal and external stakeholders in relation to the Group's anti-bribery and corruption-related policies and procedures.

### 4.7. Compliance Officer

- (a) Provides advice and guidance to the Group's Associated Persons (both internal and external), in relation to the Group's anti-bribery and corruption-related policies and procedures;
- (b) Undertake independent monitoring on compliance to Poh Huat's ABC Framework and Policy; and

- (c) Report to the Board on any bribery and corruption-related matters, including inadequacies of the Group's anti-bribery and corruption effort and corresponding action plans.

#### 4.8. Internal Audit Function

- (a) Assists the AC in its review of the design adequacy and operating effectiveness of the Group's internal control in relation to anti-bribery and corruption.

### 5. CORRUPTION RISK ASSESSMENT

- 5.1. In order to enable Poh Huat to effectively address and manage bribery and corruption risks in its business operations, the Group has established a process for the identification, evaluation and management of bribery and corruption risks.
- 5.2. The result of the corruption risk assessment will form the basis of Poh Huat's anti-bribery and corruption efforts, including determining the appropriate controls to address the identified bribery and corruption risk.
- 5.3. As outlined in the Group's ABC Policy, Poh Huat is committed to the eradication of bribery and corrupt activities in the conduct of its businesses. However, it will not be practical to expend unlimited resources on eradicating every possibility of bribery or corruption. Hence, the resources and efforts put into managing the corruption risks shall be reasonable and proportionate with the risk exposure and risk rating, e.g. bribery and corruption risk areas with a greater exposure or higher risk rating shall be addressed with more rigorous controls to ensure the effectiveness of corruption risk management. Refer to Procedures on Corruption Risk Assessment.
- 5.4. Corruption risk assessment shall be conducted at least once a year, or when there are any significant changes to the business operations, business environment, countries of operations, or laws and regulations.

### 6. RECRUITMENT OF DIRECTOR AND EMPLOYEE

- 6.1. Due diligence in relation to anti-bribery and corruption shall be carried out for prospective Directors and Employees prior to their appointment/ hiring to identify any red flags that may indicate potentially higher risks of integrity issues or bribery/ corruption risks.
- 6.2. Recruitment of Director or Employee shall be based on selection criteria defined by respective recruiting department/ function/ business unit. Human Resource Department shall administer the recruitment process including verification of the candidate's supporting documents.
- 6.3. Background check in relation to anti-bribery and corruption is mandatory in the recruitment process for all Directors and Employees of Managerial positions and above, with the checking covering, among others, the following:
  - (a) History of criminal charges, including conviction and allegation;
  - (b) History of litigation, disputes or bankruptcy;
  - (c) Connections to political-exposed persons; and
  - (d) Potential or actual conflict of interest situations.

- 6.4. Human Resource Department may carry out the background check through:
  - (a) Searching of publicly available information, e.g. internet, MACC's website, CTOS database, etc.;
  - (b) Written reference from the candidate's previous employers;
  - (c) Self-declaration by the candidate in the Poh Huat's job application form; and
  - (d) Appointment of external party with relevant expertise to assist in the background checking process.
- 6.5. For key roles where corruption risk has been identified, the candidate's beliefs in integrity (including tendency to commit bribery and corruption act) shall be assessed through direct engagement, such as via interview session.
- 6.6. Candidates for employment may be referred by an associated party, such as Director, Employee, Shareholder or Customer. However, all candidates referred must be subjected to the same screening process as other candidates. The Director or Employee who referred the candidate shall also abstain from the screening and selection process of the candidate.
- 6.7. All information and data obtained during the recruitment process, including verbal communication, internet searches and justification for hiring decisions shall be documented and retained as records.
- 6.8. All new recruits shall be briefed on Poh Huat's Code of Ethics and Conduct, ABC Policy and relevant section of this Framework during their induction/ orientation. Human Resource Department shall obtain from the new recruits via an Integrity Declaration Form, his or her written acknowledgement that he/ she has read, understand and agree to comply with the Group's Code of Ethics and Conduct, ABC Policy and Framework.

## **7. MANAGING CONFLICT OF INTEREST**

- 7.1. The Group's policy on conflict of interest is outlined in its Code of Ethics and Conduct.
- 7.2. Directors and Employees are required to declare any unavoidable conflict of interest to the Group's AC Chairman through the Senior Management team. The fact that a matter may be known by others, or is considered "public knowledge", is no substitute for disclosure requirement. It is the Director's and Employee's responsibility to ensure the disclosure is made and, is updated when required.
- 7.3. Disclosure on conflict of interest shall be made as soon as reasonably practicable via the Conflict of Interest Declaration Form. The completed Conflict of Interest Declaration Form shall be submitted to the Senior Management.
- 7.4. The Senior Management shall review the conflict declared and devise a management and resolution plan, which may include withdrawal from the conflicting activity. All potentially conflicted person shall not be involved in the conflicted activity and shall abstain from the decision-making process that relates to the conflicting activity, including deciding on the conflict management and resolution plan.

- 7.5. The proposed conflict management and resolution plan shall be indicated in the Conflict of Interest Declaration Form and submitted to the Group CEO or AC Chairman for approval.
- 7.6. A copy of the approved Conflict of Interest Declaration Form shall be given to Human Resource Department for record keeping.
- 7.7. Declaration of conflict of interest shall also be incorporated in the Group's due diligence process when engaging or appointing any third party (i.e. External Associated Persons). Refer to Paragraph 8.5.

## 8. ENGAGING EXTERNAL ASSOCIATED PERSONS

- 8.1. All External Associated Persons (abbreviated as "EAP" in this section) are subject to due diligence checks prior to being appointed, with the purpose of ascertaining the risk levels of the EAP and its proposed transaction/ relationship with the Group, in relation to the potential or possibility of bribery and corruption. These due diligence checks include:
  - (a) Assessing the legitimacy of the organisation and understanding of its major shareholders, directors and chief officers (including any potential conflict of interest); and
  - (b) Ensuring the proposed fees is commensurate with the nature and extent of services to be provided.
- 8.2. If the EAP's work scope requires the EAP to interact with government officials/ agencies or dealing with any third parties, the said EAP will be considered as High-Risk EAP. When engaging a High-Risk EAP, the following procedures shall also be included in the due diligence checks:
  - (a) History of involvement or alleged involvement in bribery or corrupt activities, e.g. by performing internet searches if the EAP has any bribery or corruption news; and
  - (b) Assessing the EAP's beliefs in integrity, including tendency to give or receive bribes or corrupt gratification. This could be performed through direct interaction with the EAP or through enquiries with relevant parties (e.g. parties that have previously transacted with these EAP).
- 8.3. The above due diligence checks shall be approved in accordance with the Group's Limit of Authority Chart prior to their appointment. EAP which has been convicted of financial crime or has adverse news on bribery or corruption (including alleged bribery or corruption cases) should not be onboarded until clearance is given by the Board of Directors.
- 8.4. The due diligence checks on EAP shall be re-performed under any one of the following circumstances:
  - (a) There are significant changes in the ownership or corporate structure of the EAP;
  - (b) There is adverse news on bribery, corruption or other financial crime involving the EAP or its Directors/ chief officers;
  - (c) Changes in the nature of services provided by the EAP; or



- (d) The last due diligence checks on the EAP was performed more than three (3) years ago.
- 8.5. Upon appointment, all EAP are required to provide their written acknowledgement stating their compliance with Poh Huat's ABC Policy and Code of Business Ethics. The EAP shall also declare to the Group, if there any actual or potential conflict of interest between the EAP and the Group. If the engagement with the EAP lasts more than two (2) years, the EAP shall be required to resubmit their written acknowledgement every two (2) years.
- 8.6. Anti-bribery and corruption commitments and adherence to the Group's Code of Business Ethics shall be incorporated into the standard and non-standard contracts between Poh Huat and the EAP.
- 8.7. When making payment to the EAP, Finance Department must put in place controls to ensure that:
  - (a) Due diligence has been performed on the EAP;
  - (b) All invoices match to the agreed payment schedule stated in the contract/agreement;
  - (c) Work performed are substantiated, e.g. service order signed by the Group's authorised personnel;
  - (d) Payment is not made in the form of physical cash (except for transaction below RM300); and
  - (e) Payment must be made to the account that bears the name of the EAP.
- 8.8. Proper and complete records involving the engagement with the EAP shall be retained for seven (7) years. These include proposals, quotations, due diligence checks, contracts, agreements, delivery reports, invoices and payment records.
- 8.9. EAP is required to retain true and correct records in connection to the services provided to the Group. Poh Huat shall retain the rights to perform an audit on the AP as necessary to verify that there has been compliance with the Group's anti-bribery and corruption-related policies and procedures.

### **9. GIFT, ENTERTAINMENT, HOSPITALITY AND TRAVEL POLICY**

- 9.1. When providing or receiving gift, entertainment, hospitality or travel (collectively known as "GEHT"), the following requirement must be met:
  - (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 or benefits;
  - (b) It is not made with the suggestion that a return favour is expected;
  - (c) It is in compliance with local law;
  - (d) It is given in the name of the company, 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 season or as a token of appreciation);
  - (g) It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift; and



- (h) It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.
- 9.2. The following rules shall apply when providing or accepting gifts:
- (a) The accumulated value of the gifts provided shall not exceed RM500 per annum for a single individual or a single company;
  - (b) Gifts shall not be given within one (1) month before or after an award (business transaction or permit) or during the negotiation stage;
  - (c) No cash or cash equivalent shall be provided or accepted, except for angpow or bereavement money not exceeding RM1,000;
  - (d) All gifts to be provided or received must be recorded in the GEHT Form which includes details such as the purpose of gifts, details of giver/ recipient and estimated gift value;
  - (e) Written approval (via GEHT Form) from Head of Department or above must be obtained before providing any gifts. The approving authority shall ensure the requirements for providing GEHT as stated above have been fulfilled;
  - (f) Corporate gifts or tokens (such as pens, diaries, calendar or t-shirt) which bears the company's logo and have no resale value, and exchange of gifts at company-to-company level are exempted from the paragraphs (b) to (e) above; and
  - (g) Any exception to the rules above shall be substantiated with written approval from the Group CEO, CFO or the Board.
- 9.3. Head of Department and above may provide entertainment or hospitality to third parties subject to a limit of RM200 per person per transaction. Group CEO may approve entertainment or hospitality for third parties up to RM1,000 per person per transaction. Multiple entertainments provided during a single occasion event are to be considered as a singular event and must be aggregated for approval purposes.
- 9.4. All entertainment or hospitality provided or received must be recorded in the GEHT Form. For entertainment or hospitality provided, the GEHT Form shall be substantiated with written approval from relevant approving authorities.
- 9.5. Entertainment or hospitality shall not be offered to the same individual more than six (6) times a year.
- 9.6. Entertainment or hospitality with an estimated value below RM20 per person (e.g. bottled water, simple meals) are exempted from Paragraph 9.3, 9.4 and 9.5 above.
- 9.7. Business-related travels provided to third parties must be reasonable, appropriate and proportionate to the circumstances of the recipients, such as length of trip and seniority of the traveller. All travel arrangement for third parties shall be approved by the General Manager or above.
- 9.8. Non-business-related travel shall be treated as entertainment and hospitality. The following shall be considered as non-business-related travel:
- (a) Expenses incurred 48 hours before or after the business activities; and
  - (b) Travelling expenditure for persons not relevant to the performance of the business activities, such as family members of the persons performing the business activities.

- 9.9. In the event where a GEHT offered by a third party contravene any of the paragraphs above, Directors and Employees shall:
- (a) Politely decline, citing the Group's ABC Policy; and
  - (b) In circumstances where declining the offer may seriously offend the giver, the recipient shall accept and report the GEHT received to the Compliance Officer for further action.
- 9.10. Proper and complete records of all GEHT made by the Group shall be maintained as these would serve as evidence that the GEHT provided were not made with corrupt intention. Hence, all accounts, invoices, receipts, documents, and records relating to the GEHT made shall be prepared and maintained with accuracy and completeness.

## 10. DONATION AND SPONSORSHIP POLICY

- 10.1. Subject to the allocated budget, the Group will only make donation up to RM50,000 and sponsorship up to RM5,000 per annum per entity/ charitable organisation. Donation or sponsorship shall not be made within one (1) month before or after an award (business transaction or permit) or during the negotiation stage.
- 10.2. The Group will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. Directors and Employees may donate to political parties or candidates, but it shall be in their personal capacity and never be associated with the Group.
- 10.3. The following due diligence checks shall be performed before approving a donation or sponsorship:
- (a) Identity of the recipient/ legitimacy of the organisation and understanding of its major shareholders, directors and chief officers, including if there any conflict of interest or linkage to political parties/ politically exposed person;
  - (b) Adverse news or sanction on the recipient; and
  - (c) Activities which will be funded by the donation or sponsorship.
- 10.4. All donations and sponsorships shall be escalated to the Group CEO for review and approval. Group CEO shall ensure the donations and sponsorships adhere to the Group's relevant policies and procedures.
- 10.5. All accounts, receipts and other related documentation relating to a donation and sponsorship made to or received by the Group shall be maintained to serve as evidence that the donation and sponsorship were not made with corrupt intention. For this purpose, no cash donation or sponsorship shall be made.

## 11. BUSINESS INCENTIVES POLICY

- 11.1. In the context of this Framework, business incentives refer to:
- (a) discount or rebates for bulk purchases;
  - (b) commissions or referral fees for external parties for introducing business or new customers to the Group; and
  - (c) promotional products or samples used in promotional and marketing activities.

- 11.2. All business incentive shall be formally documented and approved by the Group CEO as part of the incentive program or contract (e.g. rewards program or credit policy). When approving a business incentive, the following shall be taken into consideration:
- (a) The business incentive must be legitimate and not contradict any applicable laws and regulations;
  - (b) The business incentive is not formulated to incentivise or reward the improper performance of any party;
  - (c) All business incentive shall be reasonable and proportionate in relation to the intended objectives (such as market practice, sales target or business objectives); and
  - (d) The business incentive shall not be selective or exclusive to a specific individual/ entity and shall be applicable based on business-based parameters (e.g. applicable to all agents or applicable to agents exceeding certain sales amount).
- 11.3. Any other forms of incentives or benefits, either provided or received, which do not fulfil the conditions in paragraphs 11.1 and 11.2 shall be considered as GEHT and shall adhere to the Group's GEHT Policy.
- 11.4. All business incentive shall be officially documented and recorded to serve as evidence that the business incentives were not made with corrupt intention.

## 12. WHISTLEBLOWING POLICIES AND PROCEDURES

- 12.1. Poh Huat has established a whistleblowing mechanism, formalised via Whistleblowing Policies and Procedures, which enables the Group's internal and external stakeholders to report or disclose concerns relating to misconducts, especially violation to the Group's ABC Policy, without fear of reprisal.
- 12.2. The whistleblowing mechanism includes options for a whistleblower to reach out to the Group CEO as well the Board Chairman to ensure check and balance is present and all whistleblowing reports or disclosures are treated fairly regardless of the position of the alleged wrongdoer.
- 12.3. The established whistleblowing mechanism also prescribes basic principles and procedures which guide the investigation and reporting of whistleblowing cases received.
- 12.4. The Group's Whistleblowing Policies and Procedures has been made publicly available on the Poh Huat's corporate website (<http://www.pohhuat.com/images/PDF/CorporateGorvenance/Poh%20Huat%20-%20Whistleblowing%20Policy%20Dec2019.pdf>) in line with Paragraph 15.29(2) of the Listing Requirements.

## 13. COMMUNICATION AND TRAINING

- 13.1. The objective of communication and training is to ensure the Group's anti-bribery and corruption stances and measures, including relevant policies and procedures, are conveyed to all of the relevant stakeholders.

- 13.2. Continuous efforts on communication and training, in relation to anti-bribery and corruption, shall be invested throughout the Group's engagement with its Directors and Employees, including but not limited to:
- (a) onboarding of newly appointed Directors or newly employed Employees;
  - (b) open and transparent internal communications, such as when giving work instructions and problem resolution discussions;
  - (c) general anti-bribery and corruption awareness training for all Directors and Employees;
  - (d) periodic training programs for Directors and Employees with relatively higher corruption risk exposure in relation to their nature of work;
  - (e) performance appraisal and recognition considering efforts made in upholding integrity in business dealings;
  - (f) clear disciplinary process and consequence for any breach of the Group's policy;
  - (g) access to advice in relation to challenges in preventing bribery and corruption in conducting business activities; and
  - (h) ability to raise concerns without fear of reprisal.
- 13.3. Generally, it is the responsibility of an employee's superior to communicate and ensure the employee understands the Group's anti-bribery and corruption stances and measures.
- 13.4. Anti-bribery and corruption-related materials (e.g. ABC Policy and Framework, Code of Ethics and Conduct, training course materials) are made easily accessible by all Directors and Employees. The relevant materials are made available in the Group's intranet at 128.128.20.1 to all Directors and Employees.
- 13.5. Formal documentation of the Group's efforts for communicating with its Directors and Employees on the Group's anti-bribery and corruption policies and measures shall be maintained. In Poh Huat, this is achieved through the use of Integrity Declaration Form. All employees ranking Officer (for Office) and Supervisor (for Factory) and above are required to submit their written acknowledgement of Poh Huat's ABC related policies and procedures once every two (2) years.
- 13.6. Any Directors or Employees who are responsible for dealing with an EAP shall be responsible for representing the Group in communicating its anti-bribery and corruption stance and measures.
- 13.7. As outlined in paragraph 8.5 of this Framework, all EAP are required to provide their written acknowledgement of the Group's Code of Business Ethics and ABC Policy prior to their appointment and at least once every two (2) years.
- 13.8. Directors, Employees or EAP may seek guidance from the Group Compliance Officer for any queries or clarifications on anti-bribery and corruption-related matters.

## 14. ENFORCEMENT, MONITORING AND REVIEW

- 14.1. The implementation and management of the Group's anti-bribery and corruption measures is the responsibility of its Executive Directors and Employees. Directors and Senior Management of the Group play a significant role in demonstrating top-

level commitment and setting a culture of integrity within the Group's business environment.

- 14.2. The Compliance Officer is responsible for monitoring the implementation of the processes and controls outlined in this Framework, including:
- (a) Directors and Employees recruitment processes;
  - (b) Due diligence on the onboarding of EAP;
  - (c) Due diligence on recipients of donations and sponsorship;
  - (d) Monitoring GEHT process, including reviewing all GEHT Forms;
  - (e) Monitoring Donation, Sponsorship and Business Incentive process; and
  - (f) Training and communication.
- 14.3. The outsourced internal auditors who are independent and report directly to the Audit Committee, are assigned the responsibilities to assess and review the design adequacy, implementation effectiveness and compliance to the Group's ABC Framework. The review shall be included in the annual Internal Audit Plan at least once every three (3) years with results of the review reported to the Audit Committee and Board of Directors.
- 14.4. Besides the dedicated review of the Group's ABC Framework, the Group's other internal control systems and procedures shall also be subjected to audit to provide assurance that they are effective in countering bribery and corruption. In testing these controls, the audit shall include a review of the payments made by the Group, which includes, but not limited to, the following:
- (a) petty cash – considering amongst others:
    - any questionable items or services paid via petty cash;
    - any undocumented or unsupported payments, etc.
  - (b) payments to EAP (including suppliers), including reimbursement and claims – considering amongst others:
    - the payment amount against the contractually agreed amount;
    - evidence of the rendering of services or delivery of goods;
    - if reimbursement and claims are necessary, reasonable, and proportionate for the provision of the contracted obligation and are well-supported;
  - (c) reimbursement and claims by Directors and Employees;
  - (d) GEHT incurred by the Group, including via sample checking of the GEHT Form;
  - (e) donation or sponsorship made by the Group;
  - (f) business incentives provided by the Group; and
  - (g) other significant or extraordinary transactions – e.g. "other payables" or "other expenses".
- 14.5. Any Directors, Employees, or EAP who failed to comply with the policies and procedures included in this Framework will face severe disciplinary action, including dismissal. Violation of this Procedure may also constitute an offence under the MACC Act. If it appears in the opinion of the Board that any Directors, Employees or EAP may have violated the MACC Act, the Group may refer the matter to the relevant authorities.

- 14.6. The Group however, will protect its associated person (both internal and external) from any repercussions by the Group for refusing to engage in or permit a bribery or corruption activity, even if it may result in the Group losing business or suffering a disadvantage.
- 14.7. Whenever a weakness or gap is detected during a breach, an audit or review process, or where there is a new development in the industry, laws, or regulations, the Group's ABC Framework and other relevant policies and procedures shall be reviewed to enhance the Group's business integrity and to deliver value of a responsible business to its stakeholders.

## 15. PROCEDURE ON MANAGING BRIBERY AND CORRUPTION SITUATION

- 15.1. When faced with an implicit solicitation or offer, Directors or Employee shall assess the request or offer, to check or test if it is in accordance with the principles and policies set by the Group in relation to anti-bribery and corruption.
- 15.2. When in doubt whether a request or offer constitutes a bribe or is in line with the Group's principles and policies, the Director or Employee shall contact his/ her superior for advice. If a superior was unable to assess or determine the correct action for the situation, he/ she shall further seek advice from the Compliance Officer.
- 15.3. If it is determined that the request or offer is not in line with the Group's principles and policies, or may constitute a bribe or corruption, the Director or Employee shall politely refuse the said Stakeholder's request or offer.
- 15.4. If a Director or Employee's safety or freedom is threatened and the situation is not practicable for him/ her to seek advice from the Group; the Director or Employee shall prioritise his/ her own safety and fulfil the request in the best possible manner to protect his/ her safety, and immediately report the incident to the Compliance Officer once he/ she is at a safe place.
- 15.5. Any attempt or suspected attempt of soliciting or offering a bribe or corruption gratification shall be notified to the Compliance Officer and Group CEO with the necessary details including:
- (a) the date and time of the incident;
  - (b) the details of the said person who attempt to solicit or offer a bribe (e.g. name, organisation represented, business relationship with the Group);
  - (c) the mode and amount/ value solicited or offered (e.g. in form of cash, rebate, kickbacks, etc.); and
  - (d) circumstances and details of the incident (e.g. in relation to logistics, a tender bid, or procurement contract).
- 15.6. Pursuant to Section 25 of the MACC Act 2009, a person who has encountered a solicitation or offer for a bribe, as well as any person who has given or received a bribe, shall at the earliest opportunity report such incident to a MACC officer or a police officer. Directors or Employee making a report to a MACC officer or a police officer under Section 25 of the MACC Act 2009 shall consult with the Board of Directors before making the report.

**16.APPROVAL**

16.1. The ABC Framework was reviewed and approved by the Board on 14 Dec 2023.