



REG.NO.201801043588(1305620D)

HPP HOLDINGS BERHAD



# ANTI-BRIBERY AND ANTI CORRUPTION POLICY

**HPP HOLDINGS BERHAD**

(Registration No. 201801043588 (1305620-D))

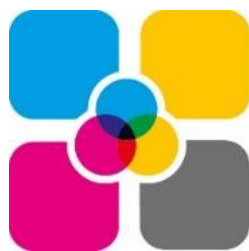
(Incorporated in Malaysia)



**ANTI-BRIBERY AND ANTI-CORRUPTION POLICY & GUIDELINES**

Adopted on 21 January 2022

**HPP Holdings Berhad**  
(Registration No.: 201801043588 (1305620-D))  
(Incorporated in Malaysia)



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**ANTI-BRIBERY & ANTI-CORRUPTION POLICY**

**1. Introduction**

The Malaysian Anti-Corruption Commission Act (“MACC Act”) was first introduced in 2009 in response to the need in preventing corruption in Malaysia.

The Malaysian Anti-Corruption Commission Act (Amendment) 2018 (“MACC Act 2018” or “Act”) was gazette on 01 October 2018 but a grace period of two years was granted to allow corporations to develop defense mechanism in compliance with the Act.

MACC Act 2018 became officially effective on 01 June 2020.

In the Act, there were four main criteria for corruption offence: (a) receiving or giving of gratification (bribery); (b) giving and accepting reward, inducement or favour; (c) influencing decision making with intention to deceive; and (d) involving in official dealings with abuse of power or position for gratification.

The MACC Act 2018 introduced significant changes to the concept of corporate liabilities on commercial organizations. The Act covers the actions or omissions of the following:

- Introduction of the concept of deemed offence by the director(s)/ controller(s)/ officer(s)/ partner(s)/ anyone concerned in the management in the event of an offence by the commercial organization.
- A commercial organization needs to prove that it has instituted measures to prevent bribery and corruption. Defenses to the offence can be shown through having in place “adequate procedures” to prevent bribery as well as proving offences were carried out without consent/ connivance.
- Inclusion of criminal penalties for individuals and organizations.

**2. Purpose And Scope**

The purpose of the policy is to set out the responsibilities of business units in observing and upholding the position of HPP Holdings Berhad on bribery and corruption. This policy applies to all corporate offices, plants and subsidiaries as well as persons associated with its operations. Associated persons include stakeholders such as officers, directors, employees, contractors, sponsors, clients, suppliers, agents, consultants, business partners and any third party or any other person associated with HPP Holdings Berhad are obligated to comply with this Policy.

**3. Zero-Tolerance Policy**

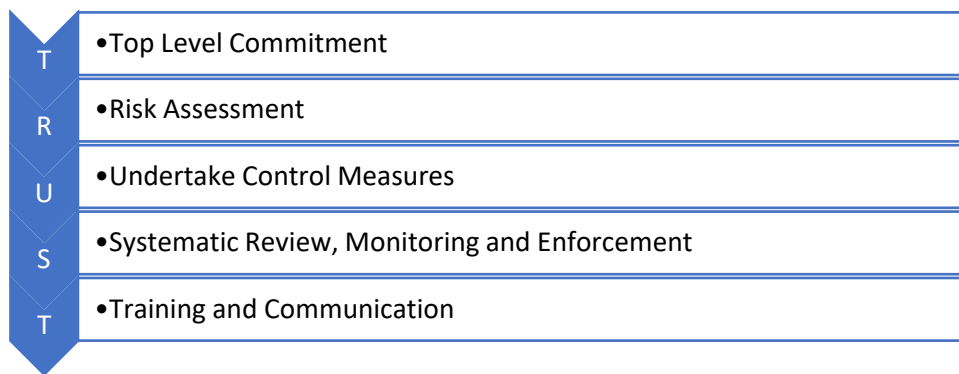
HPP Holdings Berhad adopts a zero-tolerance approach to bribery and corruption. HPP Holdings Berhad is committed to act professionally, fairly and with integrity in all its business dealings and relationships.

It is the responsibility of HPP Holdings Berhad’s employees to conduct all of its business transactions in an honest, fair and ethical manner.

**4. TRUST Framework**

The TRUST framework is the principles of the adequate procedures promulgated by the Malaysia Prime Minister’s Department to assist commercial entities in identifying adequate procedures to prevent the occurrence of corrupt practices related to their business activities.

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#### 4.1 Top Level Commitment

The Board of Directors and Key Senior Management of HPP Holdings Berhad and its subsidiaries shall provide assurance to its internal and external stakeholders that the Company and its subsidiaries are operating in compliance with its policies and any applicable regulatory requirements. The Company's top management undertake to spearhead the efforts to improve the effectiveness of its anti-corruption framework, and to establish a culture of zero tolerance towards bribery within HPP Holdings Berhad and its subsidiaries.

#### 4.2 Risk Assessment

Risk assessments ought to be conducted and documented at regular intervals to identify evolving risks of corruption. The Company is also expected to assess risk when there is any change in law or circumstance of the business to identify, analyze, and prioritize the internal and external corruption risks of the organization. The purpose of risk assessment is to establish appropriate processes, systems and controls approved by the Management to mitigate any specific corruption risks that HPP Holdings Berhad and its subsidiaries are exposed to.

#### 4.3 Undertake Control Measures

Top Management are responsible for execution of appropriate controls and contingency measures which are reasonable and proportionate to the size and business nature of HPP Holdings Berhad and its subsidiaries in order to address any corruption risks arising from weaknesses within the Company's governance framework, processes and procedures. HPP Holdings Berhad and its subsidiaries are obligated to implement control measures including due diligence, reporting channel, conflict of interest, business hospitality and gifts, charity and donation, financial controls, and record keeping.

#### 4.4 Systematic review, Monitoring and Enforcement

HPP Holdings Berhad and its subsidiaries will ensure that regular reviews are conducted to evaluate the efficiency and effectiveness of its anti-corruption measures. The reviews can be taken in the form of an internal audit or an audit conducted by an external party.

#### 4.5 Training and Communication

HPP Holdings Berhad shall develop and disseminate internal and external training to understand the importance of preventing corruption within the Company. The Company's Anti-Bribery and Anti-Corruption Policy and procedures will be made publicly available and be appropriately communicated to all stakeholders, including personnel and business associates. HPP Holdings Berhad shall provide adequate training to the Company's employees and business associates in the effort to create continuous awareness on the Anti-Bribery and Anti-Corruption Policy.

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**5. Commercial Organizations**

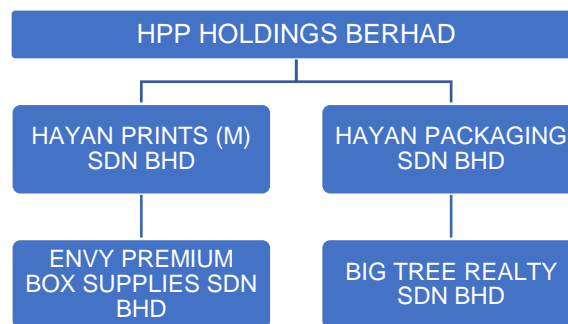
Section 17 of MACC (Amendment) Act 2018 defines an offence by a commercial organization as follows:

“17A. (1) A Commercial organization commits an offence if a person associated with 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 –

- (a) To obtain or retain business for the commercial organization; or
- (b) To obtain or retain an advantage in the conduct of business for the commercial organization.”

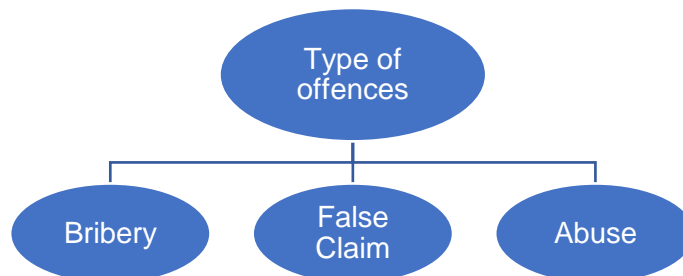
A more detailed definition of a commercial organization can be found in *Appendix 7: Definition of Commercial Organization* on page 33.

The following commercial organizations in HPP Holdings Berhad Group of Companies (“HPP Group”) must adopt the policy and guidelines outlined in this document.



HPP Holdings Berhad will ensure that these associate companies are fully aware of its policy by providing a copy of this policy to them. Any other commercial organization which may be added to HPP Holdings Berhad Group of Companies in the future must similarly adopt this Policy and Guidelines outlined in this document.

**6. Types Of Offences**



There are three main types of offences:

- 1. Bribery - give gratification and / or accept gratification (Sec. 16 & 17)
- 2. False Claim - give or use false documents to make claims (Sec.18)
- 3. Abuse - abuse of public office for pecuniary advantage (Sec.23)

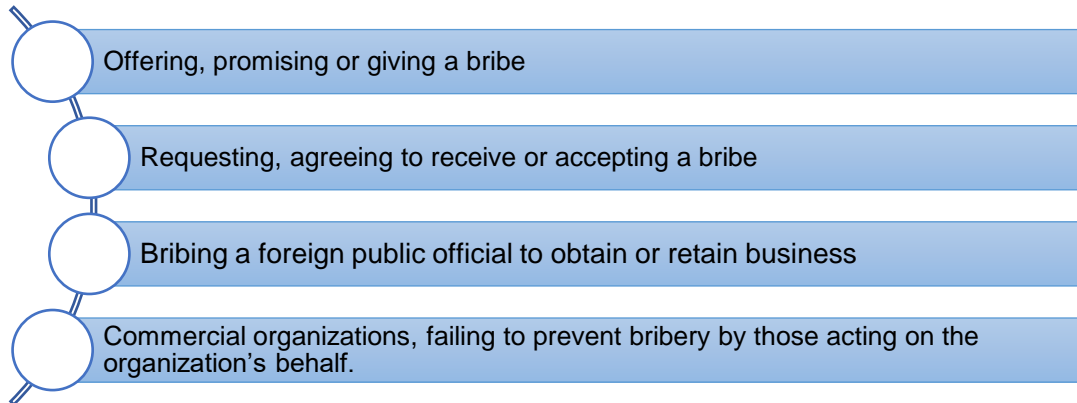
*Appendix 5: Types of Bribery And Corruption* on page 29 to 31 outlines the common offences as described by Companies Commission of Malaysia (“CCM”).



## 7. Bribery And Corruption Offences

### 7.1 Bribery Offences

The act of bribery contains **FOUR Offences**, including:



More examples of bribery offences can be found in *Appendix 8: Examples of Corruption and Bribery* page 34.

### 7.2 Corruption Offences

Corruption often happens during the tendering process of a business. This is the place where instances such as manipulations in pricing and bribery take place between several interested parties to tap the resources out from the cash flow legally or illegally.

Under the MACC Act, the definition of corruption is not provided specifically. However, the Act refers to Section 16 (recap below) to determine what constitutes an offence under the law:

“Offence of accepting gratification: Sec. 16. Any person who by himself, or by or in conjunction with any other person-

- a) Corruptly solicits or receives or agrees to receive for himself or for any other person; or
- b) Corruptly gives, promises or offers to any person whether for benefits of that person or of another person,

Any gratification as an inducement to or a reward of, or otherwise on account of-

- A) Any person doing or forbearing to do anything in respect of any matter or transaction, actual or proposed or likely to take place; or
- B) Any officer of a public body doing or forbearing to do anything in respect of any matter or transaction, actual or proposed or likely to take place in which the public body is concerned,

commits an offence.”

What is a gratification? The definition is provided by the MACC Act and it is extracted for reference from *Appendix 6: Definition of Gratification* on page 32. In another words, it is any type of benefits in the form of payment, reward, offer, gifts or otherwise, which can cause inducement to commit a corruption offence.

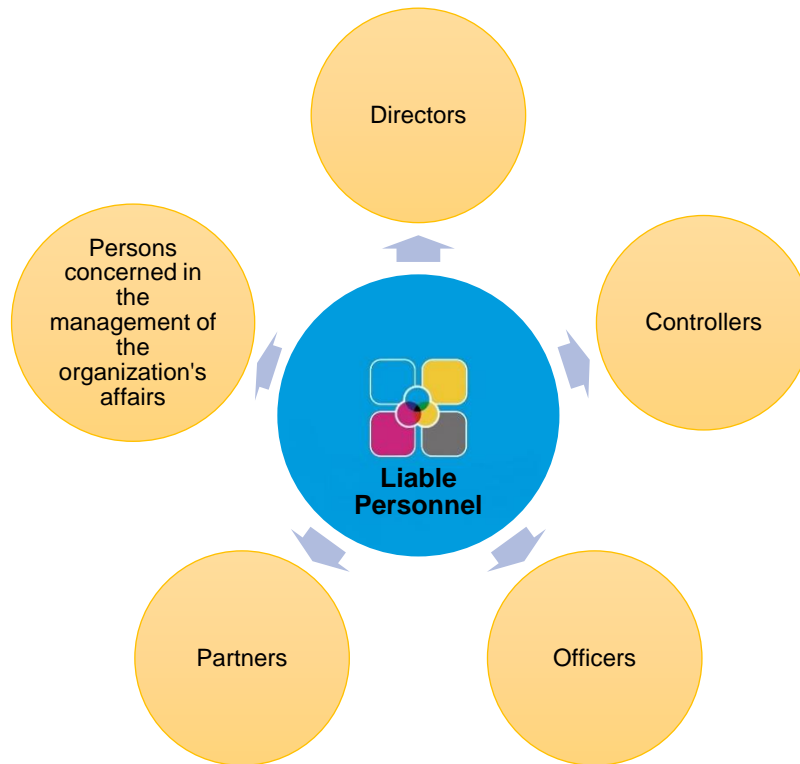
Examples of corruption offences can be found in *Appendix 8: Examples of Corruption and Bribery* page 34.



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### 7.3 Liabe Personnel

The following persons in the organization are deemed to be liable for the offences committed by the associated persons unless they can prove the offences are committed without their consent or connivance and they have exercised due diligence to prevent the commission of the offence. For the commercial organizations, they have to prove that adequate procedures have been taken to prevent such offences.



- a) There is no distinction made between an executive and non-executive director; or an active partner or sleeping partner. Those who are deemed to be liable will have to show that due diligence has been exercised to prevent the offence.
- b) A controller can be an individual controller or a corporate controller. An individual controller is a person “who has significant interest in, or significant control over, the company or the foreign company”. A corporate controller means any legal entity, other than an individual, which has significant interests or control in such.
- c) In accordance to MACC Act 2018, an associate is defined as a person who is associated with a commercial organization in the capacity as a director, partner or an employee of the commercial organization or he is a person who performs services for or on behalf of the commercial organization.
- d) By virtue of this wide interpretation, a supplier, consultant, contractor, agent, service provider, subsidiaries, intermediaries, joint venture partners etc. can be deemed to be associates of the commercial organization and all of whom could render HPP Group guilty of corruption offences.

### 7.4 The Penalty

- a) A maximum fine of 10 times the sum of gratification, or RM 1.0 million, whichever is higher;
- b) A maximum jail term of 20 years; or
- c) Both penalties of fine and jail term.

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**8. Strict Liability For Failing To Prevent Bribery**

By the definition of the Act, HPP Holdings Berhad is a commercial organization and any of its affiliated companies and subsidiaries (HPP Group) commits an offence if a person associated with it bribes another person for the benefit of the organization.

A person is “associated” with the HPP Group if he performs services for or on behalf of the HPP Group. This is constructed broadly and applies to consultants, finders, agents, contractors, employees, subsidiaries, intermediaries, joint venture partners and supplies, all of whom could render the HPP Group guilty of the corruption offence.

**9. Common Indicators Of Corruption**

There are several frequent indications and symptoms that indicate the possibility of corruption in the organization. If an affiliated individual is discovered to conduct, act, or simply exhibit the following symptoms, there is no way to rule out the possibility of corruption or bribery.

**Lavish lifestyle**

- If an associated person is living beyond his or her income level, it is reasonable to construe that the person is earning extra income of undisclosed source.

**Unexplained sources of wealth**

- Likewise, an upsurge of wealth and personal properties may have come from unknown sources.

**Unusual close relationship with clients**

- If an employee is found having an association with a customer beyond professional relationship, the Human Resources Department should be alerted in making sure that the relationship is kept in a cordial manner.

**Unnecessary involvement in other division**

- Personnel participates in unrelated matters may imply the involvement of business intelligence gathering or information seeking.

**Heavy indebtedness**

- An employee may find themselves in heavy indebtedness due to gambling habit, business failure and financial predicament. This may influence the associated person to acquire income through means which are not legitimate to repay debt within a short period of time.

**Dealing with only certain staff**

- The implication personal dealings between an employee and suppliers or agents arise when suppliers or contractors consistently refuse to deal with other staff other than specific employee of the Company. The refusal of suppliers or contractors to deal with other staff could open the door for corruption within the Company.

**Pressure to maintain self preservation**

- Fear in losing the job
- Desperate to meet target or KPI

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The Human Resources Department of HPP Group is entrusted with the task to seek clarification from the associated persons concerned.  
People tend to take advantage of the opportunities opened up for them to capitalize on the weaknesses in the system and the social order. Among the causes are:

- Weak procedures e.g. lack of transparency and balance and checks
- Red tapes and bureaucratic environment
- High level of discretion
- Absolute power in the position
- Dictatorial command chain

Where such circumstances are present, the organization may be more vulnerable and closer surveillance / monitoring is required especially if there are leading indicators exhibited. Please refer to Section 13, page 18 on proving Adequate Procedures.

**10. How Individuals May Avoid Liability For Corruption**

In order to avoid liability for corruption, an individual should take all possible steps to ensure that he or she is not involved, whether directly or indirectly, in any corrupt activity. This includes, but not limited to, the following:

- a) The individual must not be involved in offering, paying, requesting or receiving bribes.
- b) The individual must not be involved in any fraudulent or dishonest activity.
- c) The individual must not authorize, expressly or impliedly, any corrupt activity.
- d) The individual must not participate in any activity which could facilitate corruption. Such activity may include authorizing payment of bribes, drafting illegal agreements, drafting fraudulent claims, falsifying evidence, and giving false evidence in legal proceedings.
- e) The individual must not assist in the concealment of any corrupt activity. This does not necessarily mean that a party must report corrupt activity (although in some countries failure to report may be an offence itself). It means that the individual must not take any positive steps to conceal the corruption.
- f) The individual must not commit corrupt activity because he has been requested to do so by his company or by any senior manager.

**11. Gift, Entertainment and Corporate Hospitality**

The following section includes the Policy of HPP Group with regard to gifts, entertainment and corporate hospitality. Please refer to Human Resources Department for more details and clarification, where necessary

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#### 11.1 No Gift Giving

- a) HPP Group has adopted No Gift Giving practice whereby directors, employees, agents, suppliers, service providers and joint venture partners and their relatives are prohibited from providing gifts, directly or indirectly, to any third party.

*Appendix 9: Who Are Relatives As Per MACC Act?* on page 35 has an illustration on the extent of how far the relatives of associated person is covered by this policy.

- b) HPP Group requires all employees to follow this policy to avoid conflict of interest between HPP Group and the external parties as gifts can be seen as bribes that may tarnish the reputation of HPP Group and they may expose the Group in violation of anti-bribery and anti-corruption laws.
- c) Any personal gift of cash or cash value (e.g. vouchers, coupons, etc.) is strictly prohibited at all times.

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**11.2 Receiving Gifts**

- a) There may be instances where an external party insists on giving gifts as part of business etiquette to employees of HPP Group and their relatives.
- b) The Company is very much aware that in certain cultures or situations, gift giving is a central part of business etiquette. Some external parties may still insist in providing gifts to the employees of HPP Group and /or their family members.
- c) HPP Group personnel are not allowed to receive or solicit for gifts from external parties except:
  - i) Perishable items (e.g. fruits, flowers, token souvenirs, promotional items such as diaries, pens, umbrellas, shirts, etc.) which does not exceed a value of RM100 (the recipients must properly estimate the gift value); and
  - ii) Hampers (value below RM600) received from the Company's / annual dinner / clients' functions. Employees must declare and keep a written record of hamper accepted according to HPP Group practice, and subject to the Managing Director's review.
- d) Under no circumstance should any HPP Group personnel accept gifts in the form of cash or cash equivalent (e.g. gift certificates, vouchers, loans, commission, coupons, discounts, payment on behalf, using and possessing complimentary assets and other related forms). This will include the following circumstances:
  - i) Gifts involving parties who are engaging in a tendering or bidding exercise.
  - ii) Gifts which may implicate direct or indirect suggestion, hint, understanding that a favour is expected in return for the gifts.
  - iii) Gifts which are illegal or in breach of local or foreign bribery and corruption laws.
  - iv) Gifts which are luxurious and lavish in nature. Their values are excessive and beyond the maximum allowable threshold values acceptable according to HPP Group's Policy (e.g. sports car, watches, real estate properties etc).
- e) Other than the items indicated in Section 11.2 (d), any gift including perishable items offered to employees of HPP Group must be reported and declared to the Human Resources Department regardless the value amount of the Gift and the position of the personnel in the company.
- f) If the value of the Gift is not commensurable as well as associated with official dealings / duties and gifts type indicated in Section 11.2 (d), the Human Resources Department may instruct the Employee to return the Gift.

**11.3 Providing Corporate Gifts**

- a) Corporate Gifts are to be made as business courtesy and they are to be distributed in social events in a transparent manner and the gifts are to bear the company logo printed on obvious positions of the gifts. The Corporate Gifts must not be tailored only to a particular person in a particular organization.
- b) The corporate gifts given to external parties should meet the requirements as stated below:
  - i) They are limited, customary and lawful under the circumstances;
  - ii) They do not have or are perceived to have (by either the giver or the receiver), any influencing effect on actions or decisions between the parties.
  - iii) There must be no expectation of any specific favour or improper advantage from the intended recipients;

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- iv) The independent business judgment of the intended recipients must not be compromised;
  - v) There must not be any corrupt or criminal intent involved; and
  - vi) The giving out of the gift and hospitality must be done in an open and transparent manner, and must not exceed the maximum permissible limit established by HPP Group Policy.
- c) Any provision of corporate gift is limited to RM 500.00 in value and subject to approval by the Managing Director.
- d) Provision of perishable items as gifts during festivals, are permitted provided they are given out of goodwill, are not given on a personal basis, and do not interfere with any business decision. The maximum permissible for this purpose is RM 500.00 for each organization.
- e) All documentation for expenses incurred to provide the corporate gifts must be properly kept, documented and recorded by the respective department for audit purposes.

#### 11.4 Receiving Entertainment and Corporate Hospitality

- a) HPP Group strictly prohibits any of its employees from soliciting corporate hospitality and entertainment nor are they allowed to accept hospitality and entertainment that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise, or supply arrangement.
- b) HPP Group recognizes that the occasional acceptance of an appropriate level of hospitality and entertainment given in the normal course of business is usually a legitimate contribution to building good business relationships.
- c) In the event the employee finds that the corporate hospitality is beneficial to foster healthy business relationship, the staff can pursue the same but it has to be declared to Human Resources Department and prior written approval be sought from the Managing Director.
- d) For the purpose of this policy, travelling is defined as corporate hospitality which typically involves travelling cost within the country or overseas paid by the third party.
  - i) Sponsorship of travelling, whether it is domestic or overseas travelling, paid by an external party to HPP Group's personnel and their relatives are not acceptable under this policy.
  - ii) The practice is tantamount to conflict of interest which encourages corruption and bribery. The receiving personnel should reject the offer and report the case to Human Resources Department.
- e) Corporate Hospitality which may be acceptable, with prior written approval from the Managing Director (M.D.):
  - i) Training given by new overseas machine's vendors are acceptable provided that it was given out of goodwill to serve as a training for employees to be capable in using new technology in HPP Group's production machineries.
  - ii) Joint trip with vendor in traveling to customer's premises which is beyond the Company's operation state is allowed without creating any undue influence on the outcome of a business decision. This must be approved by the M.D. in writing. Human Resources Department must take note and keep such approval form in the Employee's Personnel file.

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- iii) Joint trip with machine vendor to do final machine checking at vendor's premises prior to machine's shipment is acceptable after the machine purchase decision has been made by the Company and approval is granted from the Managing Director.
- iv) Meals and travelling expenditures offered by external parties as per event listed in Section 11.4(e)(i) to (iii), are only acceptable when the provisions of such services are strictly based on legitimate business courtesies.
- f) HPP personnel are required to exercise proper care and judgment before accepting any hospitality. Corporate hospitality received should not be lavish in nature and should be reported to Human Resources Department or the Managing Director. All HPP personnel are encouraged to consult Human Resources Department or the Managing Director if they have any doubts on the appropriateness of a corporate hospitality offered by an external party.

**11.5 Providing Entertainment and Corporate Hospitality**

- a) Employees are strictly prohibited from providing or offering entertainment on behalf of HPP Group with a view to improperly cause undue influence on any party in exchange for some future benefit or result.
- b) Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of the Section 11 in HPP Group's Code of Conduct and Ethics Policy.
- c) Written approval from the Managing Director must be obtained prior to provision of any entertainment and supporting documents for all expenses incurred must be properly kept for audit purposes.
- d) It is customary for HPP Group to issue complimentary invitations in the form of passes, tickets or invitations to third parties for events organized or sponsored by HPP Group.
- e) HPP Group prohibits any provision of entertainment or corporate hospitality that could influence or be perceived to influence the outcome of a business decision.
- f) Limitation of corporate hospitality provision:
  - i) HPP Group is allowed to offer pick up services, for external parties (e.g. auditors, machine vendors, suppliers, customers, and etc.) for domestic or local travel to the Company's site.
  - ii) The Company permits the provision of up to 3 meals per day at a reasonable cost, based on agreement with the letter of engagement or contract executed with the respective external party (e.g. auditors, machine vendors, and etc.) provided that prior approval is obtained from the Managing Director.
  - iii) The provision or accommodation of lodging expenses with 3 to 5 stars rating hotels, for external parties (e.g. auditors, machine vendors, and customer) is allowed where such requirement is within the norm in the industry and contained within the letter of engagement or contract executed by the Company and the related third party.
  - iv) All employees of HPP Group are prohibited from offering any type of entertainment unrelated to abovementioned provisions in Section 11.5(f)(i), (ii), and (iii).

**11.6 Dealing With Public Official**

- a) Public official means an individual holding public office or acting in a public official capacity, and includes any of the following:



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- i) An official or employee of any government, or any agency, statutory body, ministry or department of the government (of any level);
  - ii) Police, military and judicial official (of any level);
  - iii) Member of Dewan Undangan Negeri and Dewan Negara;
  - iv) Senator;
  - v) Member of Parliament;
  - vi) Any individual acting in an official capacity for a government (of any level);
  - vii) Official or employee of a company or enterprise wholly or partially state-owned (of any level);
  - viii) A political party or official of a political party (of any level); and
  - ix) A candidate for political party.
- b) Public officials include immediate family members, close associates and companies related to such individuals in their capacity as directors, members of management or beneficial owners.
- c) Family members are individuals who are related to a public official either directly (consanguinity) or through marriages. A family member of the public officials includes his or her parents, siblings, spouse, children, and spouse's parents (biologically and non-biologically).
- d) Conflict of interest declaration is required for public official who has interest to commence business relationship with HPP Group.
- e) In addition, the approval from the Board of Directors must be obtained before establishing business relationships with public official.

#### 11.7 Donations And Sponsorships

- a) All donations and sponsorships must fulfill the following requirements before payment is made:
- i) Criteria as set out in the Limits of Authority of HPP Group;
  - ii) Due diligence is conducted that the recipients are genuine beneficiaries. If the recipient is a charitable organization, its registration is to be obtained; and
  - iii) Requirements of Corporate Social Responsibilities (CRS).
- b) Any CSR, donations and sponsorship activities must not be used as conduits to circumvent, avoid, or evade the laws or regulatory requirements.
- c) More importantly, they shall not be used to facilitate corruption, illegal and money laundering activities.
- d) All CSR, donations and sponsorship requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.
- e) All payments for CSR, donations and sponsorship activities are to be recorded in the accounting books of HPP Group and they are not to be used as means to cover up an undue payment or bribery.

Examples of high risk include:

- i) The proposed recipient or organization has close affiliations with a public official or their relatives; or
- ii) The contribution is made on behalf of a public official; or
- iii) The proposed recipient is based in a high risk country or the activities take place in a high risk country

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- f) HPP Group expects employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from Chief Financial Officer to establish the authenticity of such requests.
- g) As a matter of general policy, HPP Group does not make or offer monetary or political contributions in kind to political parties, political party officials or candidates for political office.
- h) More details regarding the recipient eligibility criteria, please refer to the *Appendix 10: Contributions and Corporate Social Responsibilities* on Page 36 to 37.

#### 11.8 Facilitation Payments

- a) HPP Group prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person.
- b) The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.
- c) All employees must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If the staff receives a request or is offered facilitation payments, he/she must immediately report this to Chief Financial Officer and Human Resources Department or follow the procedures as provided under Whistleblowing Policy.
- d) Facilitation payment is defined as a payment made to secure or expedite the performance by a person performing a routine or administrative duty or function.
- e) Facilitation payment includes a payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.
- f) Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset, it can be any sort of advantage with the intention to influence them in their duties.

#### 11.9 Dealing With Business Associates

- a) All business associates (including external providers such as consultants, advisors, suppliers, service providers and agents) acting on behalf of HPP Group are required to comply with this Policy, the Code of Conduct and Ethics Policy and all other policies relating to them.
- b) In circumstances where HPP Group retains controlling interest, such as in certain joint venture agreements, business associates are required to adhere to this Policy and Code of Conduct and Ethics Policy. Where HPP Group does not have controlling interest, associates are encouraged to comply the same.
- c) Due diligence should also be carried out with regard to any business associates intending to act on the Company's behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with HPP Group.

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- d) The extent of the due diligence should be based on a bribery and corruption risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, self-declaration, and documenting the reasons for choosing one particular business associate over another.
- e) 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. For the purposes of this Policy, Chief Financial Officer is the custodian of the process.
- f) HPP Group shall include standard clauses in all contracts with business associates enabling the Company to terminate the contract in the event that bribery or an act of corruption has been proven to have occurred.
- g) When dealing with business associates, all HPP Group personnel shall not:
  - i) express unexplained or unjustifiable preference for certain parties;
  - ii) make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
  - iii) exert improper influence to obtain benefits from them;
  - iv) directly or indirectly offer or make promise or corrupt payments, in cash or in kind for a specific favour or improper advantage from them.
- h) During an active or anticipated procurement or tender exercise, personnel participating in the exercise in any way whatsoever, shall not:
  - i) receive gifts or hospitality or any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise;
  - ii) provide anything other than a corporate gift and token hospitality (as defined in Section 11.4 of this Policy) to any external/third party related to the exercise;
  - iii) be involved in any discussions regarding business or employment opportunities, for personal benefit or for the benefit of a business associate;
  - iv) abuse the decision-making and other delegated powers given by the top management; and
  - v) bypass normal procurement or tender process and procedure.
- i) When dealing with external parties in a position to make a decision to the benefit of the Company (such as a Government official or client), HPP Group personnel shall not:
  - i) offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offer or make promise of corrupt payments, in cash or in kind;
  - ii) be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party;
  - iii) otherwise abuse the decision-making and other delegated powers given by the top management, in order to illicitly secure an outcome which would be to the commercial advantage to themselves and/or the Company; and
  - iv) exert improper influence to obtain personal benefits from them.

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**12. Particular Risks For the HPP Group**

By the definition of the Act, HPP Holdings Berhad is a commercial organization. Hence, any of its affiliated companies and subsidiaries commit an offence if a person associated with it bribes another person for the benefit of the organization.

Given the nature of the HPP Group's business, employees must pay particular attention to, and ensure that "adequate procedures" (Refer to *Appendix 1: Procedures and Guidance For MACC Act Compliance* on page 21 to 23) are taken in respect of the following commercial activities:

**Corporate hospitality and gifts**

- There are risks that corporate hospitality, such as customer or supplier entertainment and the giving or receiving of gifts, might be seen as bribery, especially in dealings with foreign public officials. Lavish hospitality or gifts must be avoided, both the giving and the receiving.

**Facilitation payments:**

- These are the payments demanded by officials or others to expedite the performance of their normal duties (for example, granting a licence, allowing goods to cross a border, and so on). These may seem common in some jurisdictions, but the making of such payments, regardless of how small in monetary value, is an offence under the Act.

**Operations in high-risk countries**

- Some countries may carry higher risks in terms of corruption than the others. Transparency International UK publishes a list of countries which assesses the intensity of corruption in the order of ranking. The Corruption Perception Index ("CPI") measures how widespread corruption is in each country. As a general rule, precaution is to be taken in any countries below the ranking of Malaysia should a business dealing be conducted in the countries concerned.

**Procurement and contracting for services**

- The HPP Group may contract with agents to provide services or act on its behalf, including sales agents, contractors, service providers, suppliers, intermediaries and joint venture partners.

**13. Adequate Procedures**

As for the commercial organizations, HPP Group is obligated to prove that adequate procedures have been designed and implemented to prevent persons associated within the Group from committing any offences under Section 17A in the MACC (Amendment) Act 2018.

- a) Due diligence, based on key considerations or criteria established by HPP Group, will be conducted on any relevant parties or associated personnel (including Board members, employees, agents, vendors, contractors, suppliers, consultants and public officials), suspected of alleged bribery or corruption.
- b) Risk assessments and control scoresheet will be filled accordingly to the identified corruption risk after the associated personnel has completed the MACC Act questionnaire.

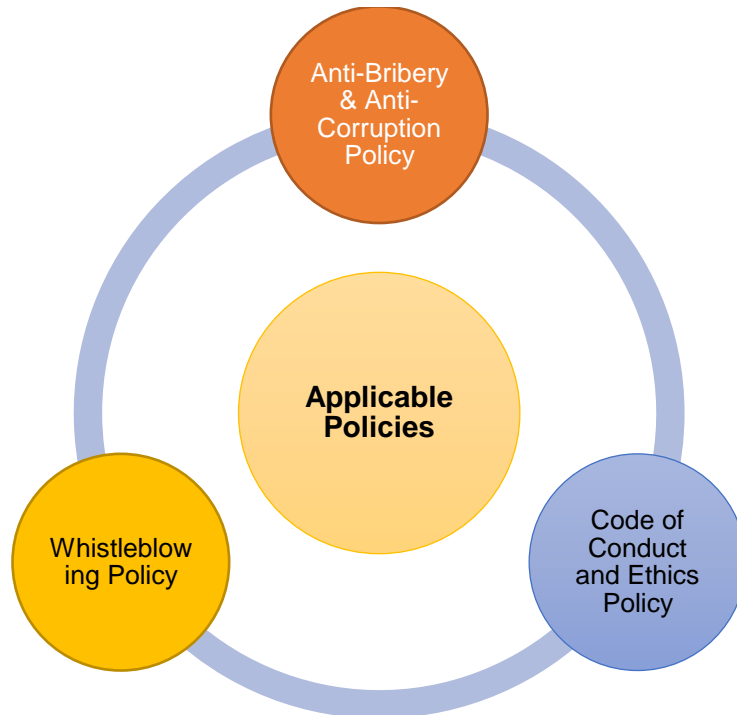
Full details of the procedures and guidance can be found in *Appendix 1: Procedures And Guidance For MACC Act Compliance* on page 21 to 23.

Risk assessments and control score sheet can be found in *Appendix 4: Corruption Risk and Control Score sheet* on page 28.

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**14. Relevant Policies & Applicability**

The HPP Group takes a zero-tolerance approach to bribery and corruption and there must be strict compliance by all employees to the all provisions contained in this Anti-Bribery and Anti-Corruption Policy and related policies as shown in the chart below.



Failure to comply with these policies could give rise to disciplinary action, which may include dismissal. These policies shall be reviewed on an annual basis for continual evaluations and improvements on the Group's policies and procedures in relation to corruption.

**15. Questions And Reporting**

Please contact your manager (if appropriate) or the Chief Financial Officer if any employee has any questions or need clarification in relation to anti-bribery or anti-corruption compliance.

If an employee suspects or has evidence of any unlawful activity, please report this IMMEDIATELY to the Chief Financial Officer or follow the reporting procedures as stated in the Whistleblowing policy with the following methods:

	By Post	Via email
If writing to the Chairman of the Board of Directors (The <b>"Board Chairman"</b> )	Address: 12 <sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. "STRICTLY CONFIDENTIAL"  Attention to: The Board Chairman	laukw@hppholdings.com  Attention to: The Board Chairman

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	<b>By Post</b>	<b>Via email</b>
If writing to the Chairman of the ARMC (The “ARMC Chairman”)	Address: 12 <sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. “STRICTLY CONFIDENTIAL”  Attention to: The ARMC Chairman	philip@hppholdings.com  Attention to: The ARMC Chairman

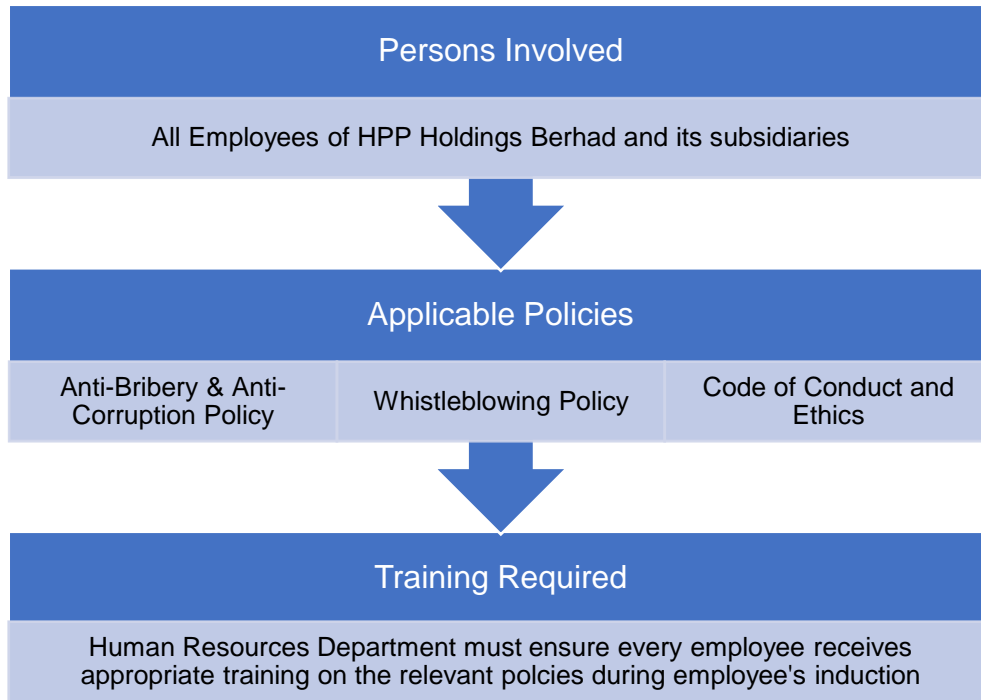
Protection will be given to whistleblowers in pursuant to the Whistleblower Protection Act 2010 and HPP Group’s Whistle Blowing Policy. All notifications will be treated as confidential unless otherwise required by law or the purpose of any proceedings by or against the Group.

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*Appendix 1: Procedures And Guidance For MACC Act Compliance*

Procedures and Guidance for MACC ACT Compliance

**A. Read And Understand Applicable HPP Group's Policies and Maintain Anti-Bribery Training For All HPP Group's Employees**



Copies of the HPP Group policies are available at HPP Group's website at:  
[www.hppholdings.com](http://www.hppholdings.com)

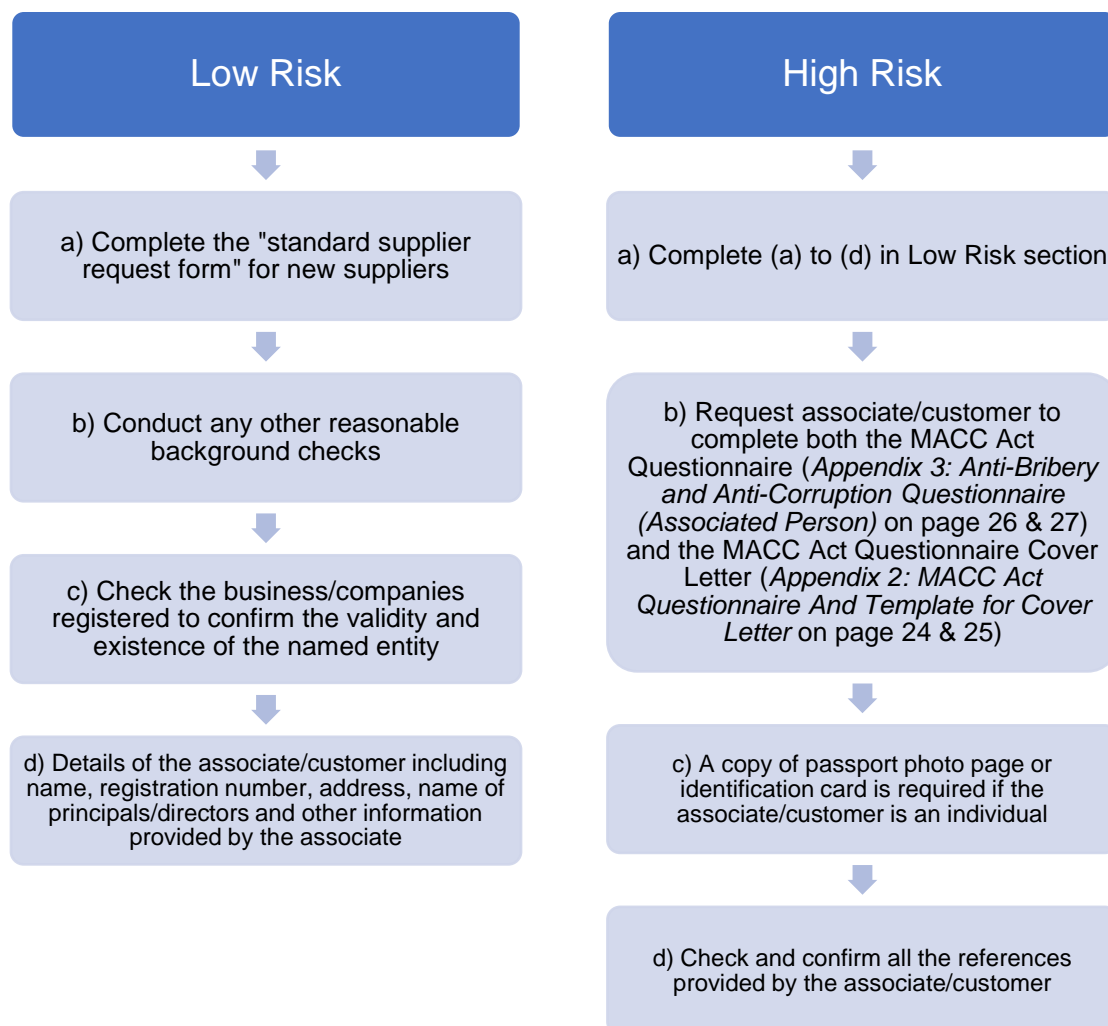
As these policies may be updated or amended from time to time, you should regularly refer to the applicable policies.



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**B. Conduct Due Diligence On New And Existing Business Associates / Customers**

1. Marketing and customer service teams are responsible for initiating a new contract or other business relationships with a service provider (e.g. procurement, operations, sales and marketing, and others)
2. HPP Group's personnel will carry out a risk assessment on all "associates" and contracting customers in order to identify *high risk* associates or customers.  
A "high risk associate" means any person or company with one or more of the following (or similar) factors present:
  - the contract is particularly significant;
  - the services to be performed are high risk;
  - the associate is a proposed broker, joint venture partner, distribution network owner or logistics operator.
3. HPP Group's personnel is responsible in conducting adequate background checks on the associate or customer which, depending on whether the associate/customer is "High Risk" or "Low Risk", must include the following:



In exceptional circumstances, where additional checks are deemed necessary, escalate the matter to your Human Resources Department or Company Secretariat team so that they can conduct an enhanced background search using respective online service (e.g. bankruptcy search, SSM search etc).

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**4. Maintenance, Monitoring and Reporting**

Information which is compiled as part of any background checks pursuant to the due diligence process must be treated as confidential information and filed with a copy of the executed contract as evidence that such checks have been carried out.

Information about associates and customers must be monitored on an ongoing basis, and at least annually, by the commercial teams (marketing, purchasing, logistics, finance and operations departments) responsible for managing that relationship.

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*Appendix 2: MACC Act Questionnaire And Template For Cover Letter*

**[Date]**

Dear HPP Group's Suppliers, Contractors and Business Associates,

**HPP GROUP'S ANTI-BRIBERY AND ANTI-CORRUPTION POLICY, COMMITMENT AND DECLARATION FORM**

In consideration to start business with HPP Group, the Supplier must conduct all of its business in an honest, fair and ethical manner. HPP Group takes a zero-tolerance approach to bribery and corruption. HPP Group is committed to act professionally, fairly and with integrity in all its business dealings and relationships.

Furthermore, HPP Group is bound by the provisions of the Malaysian Anti-Corruption Commission Act (MACC Act) which makes it an offence for any company to which the Act applies and any company providing services on behalf of that company to:

- offer, promise or give a bribe to another person;
- request, agree to receive or accept a bribe from another person;
- bribe a foreign public official; and/or
- fail to prevent bribery.

As part of HPP Group's continuous business and social growth, we strive to comply with applicable laws, statutes, rules and regulations relating to anti-bribery and anti-corruption including but not limited to the MACC Act (**Relevant Requirements**).

To avoid doubts, any payment made to a public official (or other person) to secure or expedite the performance of routine actions (known as a "facilitation payment"), is deemed to be a bribe under the MACC Act.

We are delighted to inform you as one of our esteemed Business Partners that it is our greatest pleasure to extend to you the updated copies of:

- a) HPP Group's Code of Conduct and Ethics;
  - b) HPP Group's Anti-Bribery & Anti-Corruption Policy;
  - c) HPP Group's Whistleblowing Policy;
- for your attention and records.

As you are an Associated Person engaged with HPP Group, you are expected to provide services to third parties or/and to supply goods and services to HPP Group in accordance to the following:

- a) do not engage in any activity, practice or conduct which would constitute an offence under the MACC Act;
- b) comply with Code of Conduct and Ethics of HPP Group;
- c) adhere to Anti-bribery and Anti-Corruption Policy of HPP Group;
- d) have and shall maintain in place throughout the term of the service agreement with HPP Group, your own policies and procedures, including adequate procedures under

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the MACC Act, to ensure compliance with the **Relevant Requirements**, and will enforce them where appropriate; and

- e) take all reasonable and proportionate steps to ensure that your officers, employees, representatives do not perform bribery in any form while providing services to HPP Group.

We would like to reiterate that our staff are prohibited from accepting any form of compensation, commission or gift from suppliers or third parties to escalate, secure or allocate contracts or purchase order from HPP Group. In this regard, notify us immediately if you have reasonable grounds to believe that a bribe of any form has been made by any HPP Group's employee, representative, or member to secure business or other advantages. Your co-operation is highly appreciated.

We would like to take this opportunity to inform you that due diligence check may be conducted, please complete the attached questionnaire and return it to us with a signed and dated copy of the acknowledgement below within 14 working days.

Should you require further information on HPP Group Policies, please do not hesitate to contact HPP Group representative.

We look forward to continue a mutually rewarding business relationship with you.

Thank you.

Yours sincerely,

.....  
Kok Hon Seng  
Managing Director  
HPP Group

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**ACKNOWLEDGEMENT**

I confirm that I have read, understood and agreed to comply with the above anti-bribery and anti-corruption terms.

Signed : .....  
Date :  
Name :  
Position :  
Company :  
Address :

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*Appendix 3: Anti-Bribery And Anti-Corruption Questionnaire (Associated Person)*

Notes

- Reference to “you” or “your” means the Associate, including any individual, corporate entity or partnership, as applicable.
- Reference to “Hayan Prints (M) Sdn Bhd”, “Envy Premium Box Supplies Sdn Bhd”, “Hayan Packaging Sdn Bhd”, or “Big Tree Realty Sdn Bhd” is a reference to HPP Holdings Berhad and its subsidiaries, affiliates and joint ventures, where applicable.

1.	Do you have one or more written policies or codes of conduct <b>prohibiting</b> the following? Tick all that apply:		
	a) Bribery of government officials	<input type="checkbox"/>	
	b) Commercial (private sector) bribery	<input type="checkbox"/>	
	c) Falsification of books and records	<input type="checkbox"/>	
	d) Use of charitable contributions as bribes	<input type="checkbox"/>	
	e) Use of gifts, entertainment and corporate hospitality as bribe	<input type="checkbox"/>	
2.	Does your organization have an anti-corruption policy and training process? Tick all that apply:		
	a) Anti-corruption policy	<input type="checkbox"/>	
	b) Anti-corruption training programme	<input type="checkbox"/>	
3.	Does the organization have a whistle-blowing policy and hotline? Tick all that apply:		
	a) Whistle-blowing policy	<input type="checkbox"/>	
	b) Hotline	<input type="checkbox"/>	
4.	Do you permit “facilitation payments”, either directly or through third parties? Facilitation payments, also known as ‘grease’ or ‘speed’ payments, are sums paid to government officials to procure or expedite the performance of routine governmental functions, e.g. issuing visas or import licenses. If “Yes”, please provide details:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5.	Have you, or has any of your organization’s directors, officers, partners or employees ever been the subject of an investigation or prosecution for bribery, corruption or money-laundering offence in any country? If “Yes”, please provide details:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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- |   |                                 |                                |
|---|---------------------------------|--------------------------------|
| 6. Have you, or has any of your officers / partners or employees, ever been convicted of a bribery, corruption or money laundering offence in any country?<br>If "Yes", please provide details:   | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>No |
| <hr/>   |                                 |                                |
| 7. Have you, or has any of your officers / partners, employees, agents or representatives, made a bribe to any person in connection with services you will provide, or have in the past provided, to any HPP Group entity or employee?<br>If "Yes", please provide details: | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>No |
| <hr/>   |                                 |                                |
| 8. Do you make (or have you made) payments to any charity or Community group on behalf of HPP Group?<br>If "Yes", please provide details:   | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>No |
| <hr/>   |                                 |                                |
| 9. Do you make (or have you made) any payment to a public official On behalf of HPP Group?<br>If "Yes", please provide details:   | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>No |
| <hr/>   |                                 |                                |
| 10. Have you provided any gift or hospitality to HPP Group in the last 12 months?<br>If "Yes", please provide details:  | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>No |
| <hr/>   |                                 |                                |
| 11. Have you provided any gift or hospitality to third parties on behalf of HPP Group in the last 12 months?<br>If "Yes", please provide details:   | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>No |

I confirm that the statements and answers provided in this questionnaire are true and I am duly authorized to make this statement for and on behalf of the Associated Person named below.

I agree to notify HPP Group promptly if there are any material changes to the information provided herein.

Signed : _____	Company : _____
Name : _____	Date : _____
Position* : _____	

\*Only the entity's principals such as directors, partners or other authorized signatories (chief executive, manager or legal representative) with proof of any signing authority may execute this document.

Please sign, date, scan and return this questionnaire by email to your business contact at HPP Group.

Thank you.

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*Appendix 4: Corruption Risk and Control Scoresheet*

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**CORRUPTION RISK AND CONTROL SCORESHEET**

Stakeholder:

Type of Risk: ☐ Inherent Risk

☐ Controllable Risk

Corruption Risk:

Corruption Schemes

Existing Anti-Corruption Controls	Responsibility	Interval	Effectiveness Rating

Risk Rating:

Likelihood

Impact

5					
4					
3					
2					
1					
	1	2	3	4	5

Anti-Corruption Risk Response	Responsibility	Timeline

Likelihood to Encounter	Severity of Impact				
	Very Low (1)	Low (2)	Moderate (3)	High (4)	Very High (5)
Very High (5)					
High (4)					
Moderate (3)					
Low (2)					
Very Low (1)					



*Appendix 5: Types of Bribery and Corruption*

**TYPES OF CORRUPTION**

The United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators lists the more commonly encountered forms of corruption, which include:

**Petty Corruption**

Also known as administrative corruption, it involves the exchange of very small amounts of money and the granting of small favors. These however, can result in considerable public losses.

**i) Grand Corruption**

It spreads through the highest levels of government, bringing about major abuses of power, disobedience of the rule of law, economic instability and the breakdown of good governance.

**ii) Active And Passive Corruption**

The former refers to the act of offering or paying a bribe (where the payment of a bribe has taken place) and the latter refers to the request or receiving of a bribe (a bribe was offered but not accepted).

**iii) Bribery**

Bribery is the most common form of corruption. It is described as the act of conferring a benefit in order to influence an action or decision. It comes in the form of cash, company shares, inside information, sexual or other favours, entertainment, employment or future benefits such as a retirement job. The benefit can pass directly to the person bribed, or indirectly to a third party such as a friend, relative, associate, favourite charity, private business, political party or election campaign. Once bribery has occurred, it can lead to other forms of corruption.

**iv) Embezzlement, Theft And Fraud**

Embezzlement, theft and fraud involve stealing by an individual exploiting his or her position of employment. Fraud involves the use of false or misleading information to induce the owner of property to part with it voluntarily. Theft is universally regarded as falling within corruption definitions where it occurs, carrying with it as it does, a breach of a fiduciary duty.

**v) Extortion**

Extortion relies on coercion to induce cooperation, such as threats of violence or the exposure of sensitive information.

**vi) Abuse Of Function**

The abuse of function or position is the performance of or failure to perform an act by a public official, in violation of the law, to obtain an undue advantage for himself/herself or for another person or entity.

**vii) Favouritism And Nepotism**

Favouritism, nepotism and clientelism all involve abuses of discretion. Such abuses usually do not involve a direct personal benefit to an official but promote the interests of those linked to the official, be it through family, political party, tribe or religious group.

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**viii) Creating And Exploiting Conflicting Interest**

Most forms of corruption involve the creation or exploitation of some conflict between the professional responsibilities of an individual and his or her private interest. The offering of a bribe creates such a conflict where none may have existed hitherto. In both the public and private sectors, employees and officials are routinely confronted with circumstances in which their personal interests' conflict with their responsibility to act in the best interests of the state or their employer. Well-run organizations have systems to manage these situations, usually based on clear codes of conduct.

**ix) Improper Political Contribution**

Donations made with the intention or expectation that the party will, once in office, unduly favour the interests of the donor, is tantamount to the payment of a bribe.

**TYPES OF BRIBERY**

Types of Bribery	Definition
Corruption against the rule	A payment is made to ensure that the giver or someone connected to him/her actually receives a service to which they are not entitled.
Corruption with the rule	A payment is made to ensure that the giver or someone connected to him/her actually receives a service to which they are lawfully entitled.
Offering or receiving improper gifts, gratuities, favours or commissions	Accepting tips or gratuities in exchange for a service, frequently in violation of relevant codes of conduct. As links always develop between payments and results, such payments become difficult to distinguish from bribery or extortion.
Bribery to avoid liability for taxes	Officials in revenue collecting agencies, such as tax and customs, may be asked to reduce the amounts demanded or to overlook evidence of wrongdoing, including evasion or similar crimes. They may also be invited to ignore illegal imports or exports, or to turn a blind eye to illicit transactions, such as money-laundering.
Bribery in support of fraud	Payroll officials may be bribed to participate in abuses such as listing and paying non-existent employees.
Bribery to avoid criminal liability	Law enforcement officers, prosecutors, judges or other officials may be bribed to ensure that criminal activities are not properly investigated and prosecuted or, if they are prosecuted, to ensure a favourable outcome.
Bribery in support of unfair competition for benefits or resources	Public or private sector employees responsible for making contracts for goods or services (public procurement) may be bribed to ensure that contracts are made with the party that is paying the bribe, and on unjustifiably favourable terms. Where the bribe is paid out of the contract proceeds, it is described as a 'kickback' or a secret commission.

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Types of Bribery	Definition
Private sector bribery	Corrupt banking and finance officials are bribed to approve loans that do not meet basic security criteria and are certain to default, which may lead to widespread economic damage to individuals, institutions and economies. Just as bribes can be offered to public officials conducting procurements so too can bribes pollute procurement transactions within the private sector.
Bribery to obtain confidential or 'inside' information	Employees in the public and private sectors are often bribed to disclose confidential information and protected personal details for a host of commercial reasons.
Influence peddling	Public officials or political or government insiders illicitly sell the access they have to decision-makers. Influence peddling is distinct from legitimate political advocacy or lobbying (see Article 18 of the UN Convention Against Corruption).

Source: 2016, Companies Commission of Malaysia (SSM); A Guide To Implement The Corporate Integrity System, Malaysia

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*Appendix 6: Definition of Gratification*

“gratification” means-

- 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)”

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*Appendix 7: Definition of Commercial Organization*

“For the purposes of this section, “commercial organization” means-

- (a) a company incorporated under the Companies Act 2016 [Act 777] and carries on a business in Malaysia or elsewhere;
- (b) a company wherever incorporated and carries on a business or part of a business in Malaysia;
- (c) a partnership—
  - (i) under the Partnership Act 1961 [Act 135] and carries on a business in Malaysia or elsewhere; or
  - (ii) which is a limited liability partnership registered under the Limited Liability Partnerships Act 2012 [Act 743] and carries on a business in Malaysia or elsewhere; or
- (d) a partnership wherever formed and carries on a business or part of a business in Malaysia.”

Source: Malaysian Anti-Corruption Commission Act (Amendment) 2018, Section 17(A)(8)

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*Appendix 8: Examples of Corruption and Bribery*

Corruptions often happens during the tendering process of a business. This is the place where instances such as manipulations in pricing and bribery take place between several interested parties to tap the resources out from the cash flow legally or illegally.

The following actions are examples which are considered as acts of corruption and bribery.

No.	Prequalification And Tender	Project Execution	Dispute Resolution
1	Bribery during sub-contract procurement	Extortion by client's representative	Blackmail of witness
2	Bribery to obtain main contract award	Facilitation payment	Bribery of witness
3	Concealment of financial status	False assurance that payment will be made	Concealment of documents
4	Corruptly negotiated contract	False job application	False information as to financial status
5	Inflation of resources and time requirements	Overstating of profits	False statement as to settlement sum
6	Intention to withhold payment	Requirement to accept lower payment than is due	Submission of false supporting documents
7	Manipulation of pre-qualification	Set-off of false rectification costs	Submission of incorrect contract claims
8	Obtaining a quotation only for price comparison		Supply of false witness evidence
9	Price fixing		
10	Submission of false quotation		

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*Appendix 9: Who Are Relatives As Per MACC Act?*

“relative”, in relation to a person, means—

- a) a spouse of the person;
- b) a brother or sister of the person;
- c) a brother or sister of the spouse of the person;
- d) a lineal ascendant or descendant of the person;
- e) a lineal ascendant or descendant of a spouse of the person;
- f) a lineal descendant of a person referred to in paragraph (b);
- g) the uncle, aunt or cousin of the person; or
- h) the son-in-law or daughter-in-law of the person.



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*Appendix 10: Contributions and Corporate Social Responsibilities*

1. Contributions

- a) Charitable contributions/donations by the Company may only be made where:
  - the donation is made in compliance with applicable laws;
  - the donation is made to a properly established charity;
  - the donation is made to serve a valid charitable purpose; and
  - the donation is not made to secure, or may be construed to secure, an improper business advantage.
- b) HPP Group direct their charitable efforts primarily towards the following areas of interest:
  - Social support and / or protection of underprivileged individuals, as well as assistance to social institutions;
  - Support for education, culture and sport;
  - Support for projects that focus on protecting local environment;
  - Support of socially significant events, social programme and project;
  - Support for non-discriminatory organization in the basis of race, gender, ethnicity, sexual orientation, disability, age or any other basis prohibited by law; and
  - Support for non-politically affiliated organization.
- c) HPP Group had not, do not, and will not make charitable donations or sponsorship contributions if the intended recipients of such contributions are any of the following:
  - Serving public officials;
  - Political parties, movements and political players or representatives;
  - Military organizations and projects;
  - Organizations that support discriminations by race, gender, ethnicity, sexual orientation, disability, age or any basis prohibited by law;
  - Organizations whose policies or activities are not in line with HPP Group values; and
  - Any illegal activity

2. Corporate Social Responsibilities

- a) Any Corporate Social Responsibilities (CSR) must not be used as conduits to circumvent, avoid, or evade the laws or regulatory requirements.
- b) All CSR requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome in compliance to the requirement stated in 3(c).
- c) HPP Group will ensure that all CSR sponsorships are made to beneficiaries in a transparent manner and made to legitimate organizations such as those registered with the Registrar of Societies or Registrar of Companies.
- d) The Company may reserve a budget to make monetary donations to serve the intended purpose of the CSR. Requests for CSR contribution will be dependent on budget availability.
- e) Any volunteering programs and aids provided by the Group to alleviate those in need shall not violate labor laws in Malaysia.

3. Recipient Eligibility Criteria

- a) All applications or requests must be submitted in writing using the Form prescribed by HPP Group and are accepted throughout the year.
- b) All CSR project proposals have to include the following information listed below:
  - A description of the organization, the people behind the organization and its goals for the specified project;

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- Brief information which indicates the stability of the organization;
  - The amount, product, equipment or services requested;
  - The specific purpose for which the donation is to be used;
  - Proof of the impact and results of the project; and
  - Reports and post-event-documentation for HPP Group.
- c) All donations and charitable events must fulfill the following requirements:
- Requesters or proposers need to complement the core values of HPP Group and to adhere to HPP Group's Code of Conduct and Anti-Bribery & Anti-Corruption Policy & Guidelines;
  - The intended use of charitable donation must be clearly stated by the requesters or proposers;
  - The requesters or proposers must acknowledge in writing that donations from HPP Group are used only for the intended purpose;
  - The requesting organization must clearly state how a cash grant has been allocated and provide proof in the form of documentary evidence that the amount was used for the intended purpose;
  - HPP Group will conduct due diligence to ensure the recipients of any donations or charitable events are genuine beneficiaries;
  - If the recipient is a charitable organization, its registration and tax exemption status (if any) is to be obtained;
  - The requesting organization must provide HPP Group with post-event documentation (report, photographs or video) within 1 month after the project closes; and
  - All CSR Requests must be supported by the Head of Department, where applicable, vetted by the Chief Financial Officer in accordance with the provisions herein, and approved by the Managing Director.