



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY FOR BUSINESS PARTNERS

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ANTI-BRIBERY AND ANTI-CORRUPTION POLICY FOR BUSINESS PARTNERS

INTRODUCTION

CSF Advisers Sdn Bhd and ATLAS CSF Sdn Bhd (collectively known as the “Company” for the purposes of this Policy only) has adopted a zero-tolerance policy against all forms of bribery and corruption. The Company’s Code of Conduct sets out its core principles in this regard. This policy covers the Company’s general principles and standards on anti-bribery and corruption and it to be read in line with the Company’s Code of Conduct for Business Partners.

This Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as the “Policy”) elaborate upon those principles, providing guidance to Business Partners concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, they are intended to provide Business Partners with a basic introduction to how the Company combats bribery and corruption. There may be additional obligations that the Business Partners are expected to adhere to or comply with when performing their duties. For all intents and purposes, the Business Partners shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in performance of their duties.

This Policy contains controls to minimize this risk, but we rely on Business Partners to exercise judgment about how any gift/hospitality might be perceived, recognizing that what at first sight might appear to be reasonable might nevertheless become the subject of unreasonable comment or criticism by external parties.



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1. DEFINITIONS AND APPLICATION

1.1. DEFINITIONS

- 1.1.1. **“Business Partner”** means the Company’s contractors, consultants, distributors and dealers and their respective agents, Affiliates and sub-contractors and includes their employees, agents, Affiliates, Business Partners and subcontractors (“Business Partners’ Affiliates” or “your Affiliates”), or any entity which has a direct or indirect business relationship with the Company.
- 1.1.2. **“Company”** means CSF Advisers Sdn Bhd and/or Atlas CSF Sdn Bhd and any branch, business or division operated by or under the control of any of the foregoing from time to time;
- 1.1.3. **“Employee(s)”** includes any person in the employment of the Company including but not limited to officers and directors (executive and non-executive), secretaries, secondees and individuals on direct hire;
- 1.1.4. **“Designated Contact”** means the individual(s) and/or department(s) named as the First Designated Contact in Schedule 1 of this Policy at such time that this Policy or any subsequent versions are in effect. Only in the event that the First Designated Contact is unavailable or is the subject of a complaint, that the reference of Designated Contact will be taken to mean the relevant entity as stated in the Reporting Flowchart in Schedule 1 of this Policy.
- 1.1.5. **“Director(s)”** includes any person occupying the position of director (including executive and non-executive directors) includes the chief executive officer, chief financial officer, chief operating officer or any other person primarily responsible for the management of the company.
- 1.1.6. References to **“you”** in this Policy refer to any person to whom this Policy applies. Where more specific references are used (such as “employee”), the more specific reference is intended.
- 1.1.7. **“Third Parties”** includes business entities, companies and/or individuals who are specifically appointed to engage in business for or on behalf of the Company; and
- 1.1.8. **“Family/Household”** includes your spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.
- 1.1.9. **“Public officials”** includes Yang Di-Pertuan Agong, Yang Dipertua Negeri, Sultan, Raja Muda and Tengku Mahkota, any official or employee of any government, or any agency, statutory body, ministry or department of the government, police, military and judicial official, member of Dewan Undangan Negeri and Dewan Negara, Senator, Member of Parliament, any individual acting in an official capacity for a government, official or employee of a company or an entity wholly or partially state-owned, a political party or official of a political party and candidates for public office; and any of the abovementioned parties’ family members, business associates and financially-dependent associates.



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1.2. APPLICATION

- 1.2.1. This policy is intended to apply to Business Partners as defined in Clause 1.1.1 above, except as otherwise stated in this Policy. The Company also expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Company will comply with it in relevant part when performing such work or services.
- 1.2.2. If a law conflicts with a provision as set out in this Policy, you should comply with the law. If you perceive that a provision in this Policy conflicts the laws of Malaysia or any other jurisdiction in which the Company operates or carries on business, you should consult with the Designated Contact.
- 1.2.3. If you have any other queries about the application or the interpretation of this Policy and/or its appendices, you should consult with the Designated Contact.

2. GIFTS, CORPORATE HOSPITALITY AND ENTERTAINMENT

2.1. GUIDING PRINCIPLES

- 2.1.1. Unless stated otherwise, this section does not apply to Public Officials. For gifts and hospitality involving government officials, see the Dealing with Public Officials section in Section 3 of this Policy.
- 2.1.2. Gifts and hospitality encompass a range of activity, from items marked with company logos to providing and receiving invitations for meals, entertainment, event tickets, accommodation, and travel arrangements. We need to ensure that gifts and hospitality does not tip over into bribery or corruption.
- 2.1.3. Regardless of whether a gift or hospitality has been offered or accepted with purely innocent motives, if an external observer could put an adverse construction on that gift or hospitality, it puts the business – and the person giving or receiving the gift/hospitality – at risk. Remember, even lower value gifts and hospitality are inappropriate if they are repeated or are intended to (or may appear to) improperly influence the recipient.
- 2.1.4. You must always exercise proper care and judgment. You should use these guiding principles in making your decision:
 - a. Intention – was the gift/hospitality intended to influence the recipient to perform his or her function improperly?
 - b. Timing – when was the gift/hospitality offered? Was it offered at a time immediately prior to an important commercial decision, such as the outcome of a tender process?
 - c. Openness – was the gift/hospitality given freely and openly or has any attempt been made to conceal it, and critically does the company require its personnel to



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record it in a register? Was there an effective policy about giving and receiving gifts?

- d. Reasonableness – simply, would the making or receiving of the gift/hospitality appear reasonable to an objective bystander?
- e. You must take reasonable steps to identify and where applicable, to avoid conflicts of interest; and
- f. You must refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of the Company.

2.2. NO GIFT POLICY

- 2.2.1. The Company has adopted a “No Gift” Policy whereby, subject only to certain narrow exceptions, Employees and Directors of the Company or Business Partners acting for or on behalf of Company are prohibited from, directly, or indirectly, receiving or providing gifts for and on behalf of the Company.
- 2.2.2. You must not solicit, accept, offer or give gifts or hospitality that may influence or appear to influence the recipient’s ability (including yours or any relevant third party’s ability) to make objective business decisions.

2.3. EXCEPTIONS TO THE ‘NO GIFT’ POLICY

Subject to the Guiding Principles stated in Section 2.1, the following situations can be exceptions from the ‘No Gift’ policy for Business Partners:

- 2.3.1. The Company recognizes certain situations in which external parties may still insist on providing gifts, or that gift-giving is a central part of business and/or cultural etiquette. If the gift has been given to the Business Partner and which in any way relates to the Company’s dealings with the Business Partner, the Business Partner is to refuse the gift in a manner sensitive to all the circumstances as to avoid causing any offence, e.g. by:
 - a. Thanking the giver for their thoughtfulness, taking care not to embarrass them, and
 - b. Expressing your apologies for not accepting the gift/hospitality and explaining why, mentioning the “No Gift” policy as necessary.
- 2.3.2. If the gift has been given to the Business Partner and it cannot be returned to the giver directly or immediately, for example, in the event that the gift has not been given directly to the recipient but instead has been sent to the Company’s or Business Partner’s offices, the gift must be returned with a polite note of explanation about the Company’s ‘No Gift’ policy for Business Partners.
- 2.3.3. If the gift has already been given and the giver refuses to take it back, you are expected to immediately record the gift using the ‘Gift/Hospitality Approval Form’ and submit the same to the Designated Contact, which will determine whether the gift is to be returned or accepted.



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2.4. PROCEDURES UPON RECEIVING GIFT

In the event that the Designated Contact approves the acceptance of the gift, it must also determine the treatment of the gift whether to:

- 2.4.1. Donate or raffle off the gift to charity;
- 2.4.2. Permit it to be retained by the Company or Business Partner.

2.5. HOSPITALITY AND ENTERTAINMENT

- 2.5.1. Subject to the Guiding Principles in Section 2.1 above, you may occasionally accept or offer social entertainment or hospitality, such as invitations for business events, technical conferences, modest meals, so long as the following requirements are met:
 - a. A sound business reason exists for doing so, or it permits business or educational discussions (a Company representative must be in attendance at the meal or event);
 - b. The event, activity or other hospitality offered is not lavish, excessive or extraordinary; and
 - c. It is not intended and could not be perceived by others to improperly influence any party in any business decisions or in exchange for some future benefit or result.
- 2.5.2. Any entertainment activities that would involve local or foreign public officials is subject to Section 3 of this Policy and shall require prior approval of the Designated Contact.

2.6. RED FLAGS

There are certain types of hospitality/entertainment activities which are never permissible and you should immediately refuse and/or remove yourself from the situation if it involves the following:

- 2.6.1. Any entertainment that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the entertainment provided some expected or desirable outcome is required ("quid pro quo");
- 2.6.2. Any entertainment or activities that would illegal or in breach of local or foreign bribery laws;
- 2.6.3. Any entertainment or activities that would be perceived as extravagant, lavish or excessive or may adversely affect the reputation of the Company; and/or
- 2.6.4. Any entertainment or activities that is sexually-oriented or may otherwise tarnish the reputation of the Company.



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3. Dealing with Public Officials

3.1. GUIDING PRINCIPLES

- 3.1.1. Strict laws prohibit or limit the giving of any type of gift or offering any type of hospitality to Public Officials. Violations of these laws may result in harsh penalties such as fines, suspension, permanent disqualification from competing for government contracts and even criminal prosecution of the organization and/or individuals.
- 3.1.2. In many cases, conduct that is acceptable in the private sector may violate gift and hospitality laws governing business relationships with governmental agencies.
- 3.1.3. Offering a gift or hospitality of any value to a Public Official that is intended to induce or reward that official for the performance of an official action may be a bribe and is strictly forbidden.
- 3.1.4. Business Partners are required to ensure that it is lawful and that any legal requirements are met to provide or to offer to provide entertainment to Public Officials under local laws, as it might be deemed as bribery in certain countries or companies.
- 3.1.5. Business Partners are required to carry out due diligence to confirm that the Public Official is the appropriate person based on his/her official position.

3.2. NO GIFT, HOSPITALITY OR ENTERTAINMENT POLICY FOR PUBLIC OFFICIALS

- 3.2.1. It is the Company's policy to prohibit its Business Partners from offering gifts or hospitality to Public Officials.

3.3. EXCEPTIONS TO THE NO GIFT, HOSPITALITY OR ENTERTAINMENT POLICY FOR PUBLIC OFFICIALS

Subject to the Guiding Principles stated in Section 2.1, the following situations can be exceptions:

- 3.3.1. Promotional items bearing the Company's logo are allowed, provided they are given only very occasionally, valued at less than RM30.00 and is not cash or cash equivalent. The limits apply whether giving promotional items individually or to large groups at conferences, receptions or similar events;
- 3.3.2. Where the Company holds conferences, participates at industry conferences or holds any other events, at where Public Officials are potential attendees, the appropriate precautions should be taken:
 - a. Refreshments and entertainment should be moderate and reasonable in value; and



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- b. If applicable, the invitations should state that such refreshments and entertainment will be provided and potential attendees are reminded to observe the rules and regulations of their respective agencies and/or employers and take the appropriate measures to comply with the same.

4. Facilitation Payment

- 4.1.** A facilitation (or grease) payment is an unofficial payment made to secure or expedite the performance of routine, non-discretionary government actions. They are usually made to lower level government employees to help expedite a legitimate process which might otherwise take much longer to complete. Facilitation payments need not involve cash or other financial assets; it can be any sort of advantage with the intention to influence them in their duties.
- 4.2.** The Company 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.
- 4.3.** If you receive a request to make a facilitation payment, or if payment appears to be expected, you must report it to the Designated Contact.
- 4.4.** Exception to making a Facilitation Payment:
 - 4.4.1.** The Company recognizes certain situations or circumstances where you are faced with having to make facilitation payments in order to protect your life, limb or liberty, or that of your employees, colleagues or family members. In situations like these, you are allowed to make facilitation payments, but you must immediately report this to a your superior, your organisation's designated reporting contact and also the Company's Designated Contact.

5. Dealing with Third Parties

- 5.1.** This section covers the use of agents and intermediaries who help with our business. It sets out the due diligence steps required before and during the engagement of an agent or intermediary to ensure the use of such an agent or intermediary does not improperly affect our business.
- 5.2.** Agents and intermediaries are third parties engaged to provide services for or on behalf of the Company or represent our interests.
- 5.3.** They may include:
 - 5.3.1. Business consultants
 - 5.3.2. Sales agents
 - 5.3.3. Third parties retained in relation to government business or actions
 - 5.3.4. Introducers
 - 5.3.5. Facilitators
 - 5.3.6. Lawyers and other professional advisors; or



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5.3.7. Other third parties who provide services for or on behalf of the Company in any capacity.

5.4. Bribery laws prohibit payments to agents and intermediaries knowing that all or part of the payment will be used to pay bribes.

5.5. Knowing includes more than actual knowledge – it can include:

- 5.5.1. Conscious disregard
- 5.5.2. Wilful blindness
- 5.5.3. Deliberate ignorance of facts that put you on notice

5.6. You must be confident before retaining an agent or intermediary (as well as throughout the business relationship) that they will not engage in bribery or corruption. This involves:

- 5.6.1. Conducting due diligence on the agent or intermediary to learn about their background and experience. Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
- 5.6.2. Obtaining the agent or intermediary's written agreement (as part of our contractual arrangements) to abide by all applicable anti-bribery and anti-corruption laws and the Company's policies; and
- 5.6.3. Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance.

5.7. If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or "red flags" are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress. Examples of common "red flags" involving third parties include:

- 5.7.1. The transaction involves an agency or a country known for a high incidence of corrupt payments;
- 5.7.2. Family, business or other "special" ties with government and public officials;
- 5.7.3. Objections to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements;
- 5.7.4. Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees;
- 5.7.5. The third party requires that his or her identity not be disclosed as part of the business transaction; and
- 5.7.6. Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.



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6. RECRUITMENT OF EMPLOYEES, CORPORATE SOCIAL RESPONSIBILITY AND SPONSORSHIP

6.1. RECRUITMENT OF EMPLOYEES

- 6.1.1. The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.
- 6.1.2. Proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.
- 6.1.3. If you find or suspect that another person to which this Policy applies has violated or about to violate this Policy or applicable law, whether deliberately or inadvertently, you must forthwith report the same to the Designated Contact.

7. WHISTLEBLOWING POLICY

- 7.1.** The Company encourages openness and transparency in its commitment to the highest standard of integrity and accountability.
- 7.2.** If you make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken. In addition, employees who whistle-blow internally will also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.
- 7.3.** Further details on the procedure can be found in the Company's Whistleblowing Policy for Business Partners.

8. COMPLIANCE WITH THIS POLICY

- 8.1.** If and when any situation arises that causes our Business Partner to violate this Policy, our Business Partner shall immediately inform the Company via any of the modes mentioned in Clause 7 under this Policy.
- 8.2.** Failure by any Business Partner to comply with this Policy or applicable laws and regulations will be sufficient cause for the Company to take any of the following actions or combination of any of the following actions against the Business Partners for breaching this Policy:



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- 8.2.1. Suspension or termination of any or all contract(s) and/or business relationships;
- 8.2.2. Deduction of any amount of money which is due or becoming due to you under any contract(s) and/or business relationships;
- 8.2.3. Requiring you to substitute any of your representative who breaches this Policy or acting inconsistent with this Policy immediately; and/or
- 8.2.4. Disqualifying you from participating in any tender or procurement exercise for a period to be determined by the Company at the Company's sole discretion; without prejudice to any other rights or remedies the Company may have or any other appropriate action which the Company may seek under the terms of the contract or under applicable laws.

The Company reserves the right to amend this policy and appended documents.

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SCHEDULE 1

DESIGNATED CONTACT AND REPORTING FLOWCHART

Guidance Note:

The Designated Contact is the key contact within the Company for the specified activity relating to anti-bribery and corruption and matters relating to whistleblowers. The table below sets out the Designated Contact(s) in the event that the relevant sections and/or clauses are triggered.

You should endeavor as far as possible to make contact with the First Designated Contact in writing. If you must contact the First Designated by phone call, you are required to confirm the contents of your phone call in writing with the First Designated Contact. Only in the event that you are unable to contact the First Designated Contact (or if the First Designated Contact is the subject of your complaint, report or query), you may contact the Second Contact. If any or all the Designated Contacts are unavailable or are the subject(s) of your complaint, report or query, please raise your complaint according to the Reporting Flowchart in Fig 1.1 below.

First Designated Contact and Details

Legal Counsel
Email Address: legal@csf-group.com
Telephone Number: + 603 8311 9563

Second Designated Contact and Details

Chief Operating Officer
Telephone Number: + 603 8311 9563



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Fig 1.1

REPORTING FLOWCHART





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SCHEDULE 2

GIFT AND HOSPITALITY APPROVAL FORM

This form must be used in every case when a gift or hospitality is received or given **that exceeds the value, description of prescribed limits under the Policy**. It is to be completed and sent to the **Designated Contact**.

| | |
|--|---|
| Date | |
| Name of person receiving or giving gift or hospitality | |
| Client/customer reference (if client or customer-related) | |
| Date gift/hospitality received/given | |
| Nature of gift/hospitality (short description) | |
| Received or given? | |
| Received from/given to | |
| Approximate value of gift or hospitality | |
| Country gift/hospitality given in | |
| Government official involved? | |
| Do any of the following apply: you know or suspect the intention behind the gift is to influence someone to act improperly/ the gift seems excessive in the circumstances the gift could reasonably be perceived to be corrupt | Yes/No/Don't know <i>If yes please contact the Designated Contact.</i> |



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| | |
|--|--|
| under the law of the territory and/or the regulations of the recipient do not allow this sort of donation? | |
| Are you aware of any other reason why the gift/hospitality should be rejected? | Yes/No/Don't know <i>If yes, please provide further information</i> |
| Signature of person receiving or giving gift or hospitality | |

FOR USE OF THE DESIGNATED CONTACT ONLY:

| Date Request Received | Approved/Rejected | Recommended Action | Added to Register of Gifts/Hospitality? Y/N |
|-----------------------|-------------------|--------------------|--|
| | | | |

Signed by:

.....
Designated Contact:

Designation:

Date: