



(Company No. 250857-T)

ANTI-CORRUPTION POLICES AND PROCEDURES

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1. Introduction

- 1.1 This Anti-Corruption Policies and Procedures (“ACPP”) summarizes the standards, requirements and procedures to which all employees and directors working for Prolexus Bhd and its subsidiaries (“Prolexus Group” or the “Group”) must adhere in order to comply with applicable laws and regulations prohibiting corruption.
- 1.2 While the Prolexus Code of Conduct (can be found at <https://www.prolexus.com.my/corporate-information-2>) provide guidance on common ethics and compliance issues in several areas, this Policy and the specific directives referenced below form the backbone of our anti-corruption compliance programme.

Applicable Anti-Corruption Laws and Regulations

- 1.3 The Group is committed to conducting its business ethically and in compliance with all applicable country laws and regulations.
- 1.4 Violations of anti-corruption laws carry significant civil and criminal penalties, and put the reputation, hard work and business of Prolexus Group and its employees at risk. Any employee who fails to comply with this Policy and the Directives referenced below will be subject to appropriate disciplinary action.
- 1.5 In cases of conflict between respective mandatory country laws and the principles contained in this Policy the country law shall prevail.

2. Definitions

The following definitions are included in this policy.

Bribery	<p>Bribery is defined as any action which would be considered as an offence of giving or receiving ‘gratification’ under Malaysia Anti-Corruption Commission Act 2009 (“MACC”)</p> <p>In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organisation.</p>
Business Associate/Business Partners	<p>An external party with whom the organisation has, or plans to establish, some form of business relationship. (i.e. clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors (ISO 37001 definition).</p>
Corruption	<p>For the purpose of this policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (“MACC”).</p> <p>In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.</p>

2. Definitions (cont'd)

The following definitions are included in this policy.

Conflict of interest	When a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making of the Group.
Directors	Include all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors.
Employee	Includes all individuals directly contracted to the Group on an employment basis, including permanent and temporary employees and Directors

3. Policy Statement

- 3.1 All forms of bribery and corruption are prohibited. Prolexus Group upholds a **zero-tolerance approach**. In addition to bribery, employees must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.
- 3.2 Bribery may take the form exchange of money, goods, services, property, privilege, employment position or preferential treatment. Employees shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit the Group or the persons involved in the transaction.

4. Gifts and Hospitality

- 4.1 The Group prohibits both the giving and receiving of Gifts and Hospitality to influence business decisions.
- 4.2 As appropriate, the Compliance Officers may set forth standards for gifts and hospitality expenses incurred as part of normal business relationships, such as business meals. Gifts of cash or cash equivalents are prohibited under all circumstances.
- 4.3 Employee's may not – directly or indirectly – accept gifts in connection with the business, unless the following requirements are met:-
- ❖ The gift is a promotional item of minimal value (e.g., a corporate logo pen or umbrella);
 - ❖ It is evident that declining the gift clearly would cause offense and the gift is given and accepted without an express or implied understanding that the recipient is in any way obligated by the acceptance of the gift. In such instances, the gift must be turned over to the Group as soon as possible and is considered the property of the Group.

4.4 Hospitality, including meals and entertainment, may only be accepted if there are clear business reasons for the Company to participate in the event and the hospitality is customary and commonly accepted; is not excessive in value and is given and accepted without an express or implied understanding that the recipient is in any way obligated by the acceptance of the hospitality.

4.5 It is acknowledged that the practice of business gifts and hospitality varies between countries, and what may be deemed as acceptable in one country may not be in another.

4.6 Before giving or accepting a gift or hospitality, Prolexus Group personnel shall discuss the proposed gift or hospitality with his/her manager. If in doubt, the issue also should be discussed with the Compliance Officer.

5. Facilitation Payments

5.1 The Group adopts a strict stance that disallows facilitation payments.

5.2 Facilitation payment is a form of bribery made with the purpose of expediting or facilitating the performance by a public official for a routine action, is a problem that many companies have to deal with especially these payments are still a part of doing business in some countries.

5.3 Employees are expected to notify their immediate superior when encountered with any requests for a facilitation payment.

5.4 An exception to this Policy may be tolerated if a facilitation payment is made in the context of an imminent threat to the health, safety or welfare of an employee - in that case, he or she should immediately inform the local Compliance Department representative.

6. Political Contributions

6.1 The Group does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.

7. Charitable Contributions/Donations

7.1 Charitable contributions (of cash or in kind) may be given:

- a) Only to legitimate charities for proper charitable purposes; and
- b) These are altruistic contributions designed to strengthen Group's reputation and internal pride.

7.2 Prior to making charitable contributions, the background and reputation of the intended recipient must be reviewed.

8. Sponsorship

8.1 In accordance with Group's commitment to contribute to the community and as part of its overall communication strategy; all sponsorships must comply with the following:

- a) Ensure such contributions are allowed by applicable laws;
- b) Obtain all the necessary internal and external authorisations;
- c) Be accurately stated in the company's accounting books and records;
- d) Not to be used as a means to cover up an undue payment or bribery

9. Relationship with Business Partners

General

- 9.1 As part of the Group's commitment to combat bribery, the Group expects all business partner (i.e. Supplier, Joint Ventures, Agents and Intermediaries) to refrain from bribery.
- 9.2 The Group has the right to terminate their services in the event that these business partners pay bribes or act in a manner which is inconsistent with this Anti-Corruption Policies and Procedures.
- 9.3 The Group shall endeavour to include clauses in all contracts enabling the Group to terminate any contract in which bribery or corruption has been observed.
- 9.4 All suppliers, contractors and agents are expected to annually declare compliance via the **Annual Certification of Anti-Corruption Compliance** ("CACC") as part of the Group inquiry process.

Background Checks/Due Diligence

- 9.5 The extent of the due diligence should be risk-based.
- 9.6 Due diligence may include a search through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another. Ensure that the selection process is strictly adhered to and enforced.

Contractors and Suppliers

- 9.7 The Group should monitor significant contractors and suppliers as part of their regular review of the performance of the third party.
- 9.8 During an active or anticipated procurement or tender exercise, personnel participating in the exercise in any way whatsoever, shall not:
 - a) 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;
 - b) Provide anything other than a corporate gift and token hospitality to any external/third party related to the exercise;
 - c) Be involved in any discussions regarding business or employment opportunities, for personal benefit or for the benefit of a business associate;
 - d) Abuse the decision-making and other delegated powers given by the top management; and
 - e) Bypass normal procurement or tender process and procedure.
- 9.9 If any red flags are raised, these issues must be resolved. If it is not possible then the company must be barred from being on the list of registered or licensed contractors / suppliers and/or disqualified from participating in any Prolexus Group tender exercise.

Dealing with Agents and other Intermediaries

- 9.10 Due diligence should also be carried out with regards 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 the Group.
- 9.11 The 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 proved to occur.

Joint Ventures and Other Business Partnerships and Arrangements

- 9.12 The Group could in some circumstances be held liable for the corrupt behaviour of a joint venture or other business partners, the Group's reputation also may be damaged if a joint venture or other business arrangement in which the Group is participating is found to have engaged in corrupt behaviour. Therefore, before entering into a joint venture or comparable business arrangement, the Group's representative or asset manager responsible for the joint venture must consult with Corporate Officer to determine the integrity due diligence steps that should be taken.
- 9.13 In circumstances where the Group retains controlling interest, such as in certain joint venture agreements, business associates are required to adhere to this Anti-Corruption Policy and Procedures ("ACPP").
- 9.14 Where the Group does not have controlling interest, associates are encouraged to comply the same.

10. Conflict of Interest

- 10.1 Conflicts of interest arise in situations where there is a personal interest that might be considered to interfere with that person's objectivity when performing duties or exercising judgement on behalf of the Group. Employees should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties. Employees must not use their position, official working hours, Group resources and assets for personal gain or to the Group's disadvantage.
- 10.2 Employees with a conflict of interest must disclose any obligation, commitment, relationship or interest that could conflict or may be perceived to conflict with his or her duties by making a declaration using the **Conflict of Interest Disclosure Statement**.
- 10.2 Employees are also required to complete the Conflicts of Interest Disclosure Statement annually.

11. Trading in Securities

- 11.1 The Group does not permit employees to use, or assist others in using, information you learn about the Company or a third party through your work for the Company to profit in the stock market.

12. Accurate Books and Records

- 12.1 Prolexus Group is required by law to maintain books and records that, in reasonable detail, accurately reflect the transaction and disposition of assets of the company.
- 12.2 There should not be any false or misleading entries in Prolexus Group books and records, including entries that are falsified to disguise improper transactions. Likewise, 'off-the-books' account or unrecorded funds
- 12.3 All transactions must be supported by appropriate documentation. This includes ensuring that the terms of all sales and other commercial transactions. Side arrangements are strictly prohibited.
- 12.4 If employees have reason to believe that any entries in the Company's books and records may be false, misleading, incomplete, inaccurate, or artificial, employees should promptly report through whistleblowing channels.

13. Human Resource: Support of Personnel and Employee's Role

- 13.1 Prolexus Group recognises the value of integrity in its personnel and business associates. The Company's recruitment, training, performance evaluation, remuneration, recognition and promotion for all Prolexus Group personnel, including management, shall be designed and regularly updated to recognize integrity.
- 13.2 Prolexus Group awards contracts and employee positions purely on a merit basis.
- 13.3 All employees are responsible for ensuring that this Policy and the related Directives are applied within his or her area of activity. Relevant employees must attend regular and appropriate training as requested by their managers.
- 13.4 No Employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the company losing business or experiencing a delay in business operations.
- 13.5 If you need guidance or wish to report a concern, you should contact your line manager or Compliance Department.

Staff Declarations

- 13.6 All personnel shall certify in writing that they have read, understood and will abide by this policy. (Refer: **Employee Anti-Corruption Certification**)
- 13.7 All of the statement of support, anti-corruption policy and personnel confirmation should be dated so that it is clear when they were published or agreed to A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the personnel's employment.

14. Oversight of the Anti-Corruption Program

- 14.1 The Risk Management Committee (“RMC”) which consist majority of independent non-executive directors of Prolexus has the ultimate responsibility for the oversight of this anti-corruption program.
- 14.2 Each subsidiary company is headed by the Compliance Officer (“CO”), who reports to the Group Chief Financial Officer (“CFO”). The respective COs who is more fully in tune with local issues and nuances is responsible for supervising and managing the activities of Corporate Compliance and for updating and managing the respective units of the Anti-Corruption Program.
- 14.3 The Compliance Officers shall review the suitability of this ACPP from time to time, taking into account relevant developments in the legislature, through status information and independent assessments.
- 14.4 Half-Yearly reports (i.e. assessments covering the strength and progress of the anti-corruption program) as well as anti-corruption incidents report are provided to the Group CFO to make key decision and to ensure that the anti-corruption program is effectively implemented.
- 14.5 The Compliance Officer shall be the independent authority to act effectively against bribery, including initiating investigations deemed necessary based on reasonable cause for suspicion.
- 14.6 The Group CFO shall maintain a direct reporting line to the RMC.

15. Awareness and Training

- 15.1 The Group conducts awareness programmes for all Employees to refresh awareness of antibribery and anti-corruption measures, and to continuously promulgate integrity and ethics.
- 15.2 In addition, the Group provides anti-bribery and anti-corruption training to:-
 - a) New recruits; and
 - b) Employees promoted or transferred
- 15.3 The Group’s training program content mainly include the following:-
 - ❖ Prolexus Code of Conduct;
 - ❖ Explain the relevant local country laws and other applicable statutes in terms and language that are understood by employees at all levels and locations;
 - ❖ Provide all employees with a clear understanding of the company’s policies and procedures and expectations for this ACPP compliant behaviours; and
 - ❖ Provide employees and third parties with support, processes and tools to recognize and deal with non-compliant behaviours and situations that are practical and reasonable for their location and responsibilities; and
 - ❖ Reporting requirements (such as whistleblowing facilities)

- 15.4 The Compliance Officer may at any time recommend that certain trainings be repeated to any Employee / Group of Employees in any operating unit if deemed necessary based on circumstantial requirements.
- 15.5 The Human Resources Department shall maintain all records of trainings in collaboration with the Compliance Department.

16. Reporting Violations

- 16.1 Employees who encounter actual or suspected violations of this Policy are required to report their concerns. Each Employee has a responsibility to ensure that suspected - bribery and corruption incidents are reported promptly.
- 16.2 The Group practices an open-door policy and encourages all employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner.
- 16.3 Disclosures can be made through ANY of the following reporting channels, in the strictest confidence:-

Via Email:

whistleblowing@prolexus.com.my
(Attention to: Chairman of the Audit Committee)

Further details of the Prolexus Whistleblowing Policy can be found at <https://www.prolexus.com.my/corporate-information-2>

Call to Malaysia Corporate Office:

Tel: +603-79540018

In Writing:

Prolexus Bhd
51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
(Attention to: Chairman of the Audit Committee)

- 16.4 Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.
- 16.5 If employees 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, employees will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken.

Addressing Violations

- 16.6 It is generally the Group's procedure to conduct an initial screening and assess the issues by the Compliance Officer. The purpose of this initial assessment is to determine whether or not there are facts to support an allegation of misconduct that may ultimately be subject to disciplinary measures. An investigation is an administrative fact-finding exercise to determine whether misconduct has occurred, and not a punitive undertaking.
- 16.7 The legal bases for the internal investigation activities include the relevant provisions of the Company's Employee's Manual and Employee Service Manual, Code of Conduct and internal Companies' policies and procedures.
- 16.8 The Compliance Officer is charged with maintaining objectivity, impartiality, and fairness throughout the investigative process and conducting its activities competently and with the highest levels of integrity. In particular, this person is to perform its duties independently and free from improper influence and fear of retaliation.
- 16.9 If after conducting this initial screen of the corruption or bribery issue it appears that there is risk of criminal liability or other significant legal or reputational consequences, further investigation is likely warranted.
- 16.10 The following circumstances that will generally prompt the Group to initiate internal investigations include:-
- a) whistleblower allegations of bribery or corruption by an organization, its senior management, board, committees or representatives;
 - b) board member concerns regarding improper conduct by officers and/or employees;
 - c) adverse media reporting;
 - d) investigative activities by authorities (including search warrants, production orders or requests for assistance);
 - e) investigation by the authorities into a counterparty, particular industry or related transaction; and
 - f) issues stemming from external or internal audits or compliance reviews.

17. Sanctions for Non-Compliance

- 17.2 Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the top management, Group CFO and the RMC in a timely manner in accordance with the level of risk identified.
- 17.3 The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- 17.4 Where notification to the relevant regulatory authorities have been done, the Group shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Employees.

- 17.5 Prolexus Group regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this policy. For personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.
- 17.6 For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that Prolexus Group's interests have been harmed by the results on non-compliance by individuals and organisations.