



**KKB ENGINEERING BERHAD
& GROUP OF COMPANIES**

**ANTI-BRIBERY & CORRUPTION POLICY
("POLICY")**

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1. Introduction

- 1.1 This Anti-Bribery & Corruption Policy (“Policy”) sets out the responsibilities of KKB Engineering Berhad (the “Company”) and its subsidiaries (the “KKB Group”) including associate companies and those who work for the KKB Group on the prevention of bribery and corruption.
- 1.2 This Policy aims to provide a source of information and guidance for those working for KKB Group. It helps them recognize and deal with bribery and corruption issues, as well as understand their responsibilities.

2. Policy Statement

- 2.1 KKB Group is committed to carrying out its business dealings in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery and corruption is prevented. The Board of Directors and Top-level Management are committed to acting professionally, fairly and with integrity in all of the Group’s business dealings and relationships in whichever country KKB Group operates.
- 2.2 KKB Group is bound by the laws of Malaysia, in particular the Malaysian Anti-Corruption Commission Act 2009 (“MACC ACT 2009”), pertaining to its conduct both at home and abroad.
- 2.3 KKB Group recognizes that bribery and corruption are punishable by way of pecuniary fines and/or jail sentences, as the case may be, upon conviction. If any entity in the Group or person associated with it is found to have taken part in bribery or corrupt activities to benefit the Group, we may be subjected to a monetary fine of not less than 10 times the sum of value of the corrupt gratification, and/or the officers concerned jailed not exceeding 20 years, upon conviction. There may well be other associated charges brought against the KKB Group and/or its officers under other legislations in Malaysia or in the countries in which the alleged offence is committed. All these may lead to serious damage to our reputation. It is with this in mind that we remain committed to preventing bribery and corruption in our businesses, and we take our legal responsibilities seriously.
- 2.4 KKB Group’s Anti-Bribery & Corruption Policy is published on its KKB’s website www.kkbeb.com.my.

3. Who is covered

- 3.1 This Policy applies to all employees (whether temporary, contract-basis or permanent), consultants, contractors, trainees, seconded staff, casual workers, agency staff, volunteers, interns, agents, sponsors or any other person or persons associated with the Company, or any of our subsidiaries or their employees, no matter where they are located (within or outside Malaysia). The definition of persons associated with the KKB Group accords with Section 17A (2) of the MACC Act 2009. This Policy also applies to Officers, Trustees, Board, and/or Committee members of companies in the KKB Group at any level.
- 3.2 Third party in this Policy refers to any individual or organization our KKB Group deals with. It refers to existing and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies – this includes their advisors, representatives and officials, politicians and public parties.
- 3.3 Any arrangements our KKB Group makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti-bribery and corruption.

4. Definition of Bribery & Corruption

- 4.1 **Bribery** refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting or soliciting something of value or of an advantage so to induce or influence an action or decision. A bribe refers to any inducement, reward or object/item of value offered to another individual in order to gain or retain commercial, contractual, regulatory or personal business or advantage. Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.
- 4.2 **Corruption** means the act of soliciting, giving, promising to give, offering, accepting or receiving gratification, directly or indirectly, to/from a person in authority either in the form of money, services, favours, positions or valuable goods as an inducement or reward to or not to do an act in relation to the person's principal affairs or function.
- 4.3 Bribery and corruption are illegal. Employees must not engage in any form of bribery or corruption, whether it be directly or through a third party (such as an agent or distributor). They must not bribe in any degree and if they are uncertain about whether something is a bribe, a gift or act of hospitality, they must seek further advice from the KKB Group's Head of Compliance ("HoC")

5. What IS and What IS NOT acceptable

5.1 This section of the Policy refers to the following four (4) areas:

- (i) Gifts, entertainment, hospitality & travel;
- (ii) Facilitation payments;
- (iii) Political contribution; and
- (iv) Charitable contributions & sponsorship.

5.2 Gifts, entertainment, hospitality & travel

KKB Group accepts normal and appropriate gestures of hospitality and goodwill (whether given to or received from third parties) so long as the giving or receiving of gifts, entertainment, hospitality & travel meets the following requirements:

- a) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours, positions or benefits;
- b) It is not made with the suggestion that a return favour is expected;
- c) It is in compliance with local laws;
- d) It is given in the name of the organization, not in an individual's name;
- e) It does not include cash or a cash equivalent (e.g. a voucher or gift certificate);
- f) It is appropriate for the circumstances (e.g. giving small gifts around festive seasons or as a small token of appreciation to an organization);
- g) It is of an appropriate type and value, and given at an appropriate time, taking into account the reason for the gift, entertainment, hospitality and travel;

- h) It is given or received openly, not secretly;
- i) It is not selectively given to a key influential person, clearly with the intention of directly influencing them;
- j) It accords with the limits of threshold, frequency and approval mandate as pre-determined by the KKB Group; and
- k) It is not offered to or accepted from, a government official or representative, politician or political party, without the prior sanction based on the KKB Group's approval mandate.

5.3 Where it is inappropriate to decline the offer of a gift, entertainment, hospitality or travel, the gift, entertainment, hospitality or travel may be accepted so long as it is declared to the HoC, who shall assess the circumstances, including whether it accords with KKB Group's pre-determined thresholds and frequency.

5.4 KKB Group recognizes that the practice of giving and receiving business gift varies amongst countries, regions, cultures and religions. As such, definitions of what is acceptable will inevitably differ for each.

5.5 As good practice, gifts, entertainment, hospitality & travel given and received should always be disclosed to the HoC. Those received from suppliers must be disclosed to the HoC.

5.6 The intention behind a gift, entertainment, hospitality or travel being given or received should always be considered. If there is any uncertainty, the advice of the HoC should be sought.

5.7 Facilitation Payments and Kickbacks

KKB Group does not accept and will not make any form of facilitation payments of any nature. It recognizes that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. It recognizes that they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.

5.8 KKB Group does not allow kickbacks to be made or accepted. It recognizes that kickbacks are typically made in exchange for a business favour or advantage.

5.9 KKB Group recognizes that despite its strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their or their family's personal security at risk. Under these circumstances, the following steps must be taken:

- a) Keep any amount to be minimum;
- b) Ask for a receipt, detailing the amount and reason for the payment where practicable;
- c) Create a record concerning the payment; and
- d) Report this incident to your line manager.

5.10 Political Contributions & Donations

KKB Group will not make donations, whether in cash, kind or by any other means, to support any political parties or candidates. It recognizes this may be perceived as an attempt to gain an improper

business advantage. However, when political contributions and donations are made, it must be approved by the Board and reasons, and purpose must be recorded.

5.11 Charitable Contributions

KKB Group accepts and encourages the act of donating to charities as part of its corporate social responsibility initiatives, whether through services, knowledge, time or direct financial contributions (cash or otherwise), and discloses all charitable contributions through CSR Committee to MANCO.

5.12 Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery. If in doubt, check with the HoC.

5.13 KKB Group shall ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are offered or made in accordance with KKB Group's approval mandate.

6. Employee Responsibilities

6.1 As an employee of the KKB Group, he/she must ensure that he/she reads, understands and complies with the information contained within this Policy, and with any training or other anti-bribery and corruption information given from time to time.

6.2 All employees and those under the KKB Group's control are equally responsible for the prevention, detection and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.

6.3 If employees have reasons to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, they must notify the HoC.

6.4 If any employee breaches this Policy, the employee will face disciplinary action and could face dismissal for gross misconduct. KKB Group has the right to terminate a contractual relationship with an employee if the employee breaches this Policy.

7. Raising a concern

7.1 This section of the policy covers 3 areas:

- a) How to raise a concern?
- b) What to do if you are a victim of bribery or corruption? And
- c) Protection

7.2 How to raise a concern

If employees suspect that there is an instance of bribery or corrupt activity occurring in relation to the KKB Group, they are encouraged to raise their concerns at as early a stage as possible. If they are uncertain about whether a certain action or behavior could be considered bribery or corruption, they should speak to the HoC, the Chief Executive Officer or Senior Independent Director.

7.3 KKB Group shall, via the HoC, familiarize all employees with its whistleblowing procedures so that employees can raise their concerns swiftly and confidentially.

7.4 What to do if you are a victim of bribery or corruption

Employees must tell their HoC as soon as possible if they are offered a bribe by anyone, if they are asked to make one, if they suspect that they may be bribed or asked to make a bribe in the near future, or if they have reasons to believe that they are a victim of another corrupt activity.

7.5 Protection

If they refuse to accept or offer a bribe or they report a concern relating to potential act(s) of bribery or corruption, KKB Group understands that they may feel worried about potential repercussions. KKB Group will support anyone who raises concerns in good faith under this Policy, even if investigation finds that he/she was mistaken.

7.6 KKB Group will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.

7.7 Detrimental treatment refers to dismissal, disciplinary action or unfavourable treatment in relation to the concern the individual raised.

7.8 If they have reason to believe they have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, they should inform the HoC immediately.

8. Training and communication

8.1 KKB Group will provide training on this Policy as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this Policy, and will be asked annually to formally accept in writing that they will comply with this Policy.

8.2 The KKB Group's Anti-bribery & Corruption Policy and zero-tolerance stance shall be clearly communicated to all suppliers, contractors, business partners and any third parties at the outset of business relations, and as appropriate thereafter.

8.3 KKB Group shall provide relevant anti-bribery and corruption training to employees, etc., where it feels its knowledge of how to comply with the MACC Act 2009 or other requirements (e.g. The Malaysian Code on Corporate Governance, Bursa's Listing Requirements) on anti-bribery and corruption needs to be enhanced. As good practice, all businesses in the KKB Group shall provide their employees with anti-bribery training from time to time where there is a potential risk of facing bribery or corruption during work activities.

9. Record keeping

9.1 KKB Group shall keep detailed and accurate financial and other records, and shall have appropriate internal controls in place to act as evidence for all payments made. It shall declare and keep a written record of the amount and reason for gifts, entertainment, hospitality and travel accepted and given, including donations, sponsorships and expenses of similar nature by whatever name called, and understand that such expenses are subject to managerial review. All gifts received irrespective of value is to be reported to HoC or Head of HR & Business Services.

10. Monitoring, reviewing and enforcement

- 10.1 The MANCO and HoC is responsible for monitoring the adequacy and operating effectiveness of this Policy and shall review its implementation yearly, including assessing its suitability, adequacy and effectiveness.
- 10.2 The Board shall review the Anti-Bribery & Corruption Policy and Procedures to assess their effectiveness once every 3 years.
- 10.3 Internal control systems and procedures designed to prevent bribery and corrupt gratification are subject to regular audits to ensure that they are effective in practice.
- 10.4 Any need for improvements shall be applied immediately. Employees are encouraged to offer their feedback on this Policy if they have any suggestions on how it may be improved. Feedback of this nature should be addressed to the HoC.
- 10.5 Any employee or person associated with the KKB Group, if found guilty of an act of bribery or corruption in breach of this Policy, shall be dealt with according to the Group's disciplinary measures.

*This Policy is reviewed and approved by the Board on **26 February 2020**.*

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