

JATI TINGGI GROUP BERHAD

Anti-Corruption Ethics and Compliance Policy

Table of Contents

1.	<u>Scope</u>	<u>2</u>
2.	<u>Purpose</u>	<u>2</u>
3.	<u>Our Principles</u>	<u>2</u>
4.	<u>Definitions</u>	<u>3</u>
5.	<u>Gifts, Entertainment and Hospitality</u>	<u>4</u>
6.	<u>Facilitation Payments and Kickbacks</u>	<u>4</u>
7.	<u>Donations and Political Contribution</u>	<u>4</u>
8.	<u>Procurement Process</u>	<u>5</u>
9.	<u>Responsibilities</u>	<u>5</u>
10.	<u>Record Keeping</u>	<u>5</u>
11.	<u>Protection</u>	<u>6</u>
12.	<u>Training and Communication</u>	<u>6</u>
13.	<u>Monitoring and Review</u>	<u>6</u>
14.	<u>Review</u>	<u>6</u>

1. SCOPE

- 1.1 This policy applies to Jati Tinggi Group Berhad and its subsidiaries, (hereinafter referred to as the "the Company"). This includes all individual working at all levels and grades, including Directors, Senior Managers, Managers, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, volunteers, interns, agents, sponsors, suppliers, customers, any third party and any other person associated with the Company.
- 1.2 This manual shall be effective from **10th OCTOBER 2022**.

2. PURPOSE

The purpose of this policy is to:

- i) set out the responsibilities of the Company, and of those working for the Company, in observing and upholding the Company's position on bribery and corruption; and
- ii) provide information and guidance to those working for the Company on how to recognize and deal with bribery and corruption issues.

3. OUR PRINCIPLES

- 3.1 The Company takes all reasonable measures to ensure that proper safeguards exist to mitigate the risks of corruptions and to prevent contravention of any requirement under the **Section 17A(5) of the Malaysian Anti-Corruption Commission Act ("MACC Act")**.
- 3.2 The Company conducts all of its businesses in an honest and ethical manner. It takes a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all the business relationships and dealings wherever it operates and to implementing and enforcing effective system to counterbribery.
- 3.3 The Company will uphold all laws relevant to countering bribery and corruption. It remains bound by the laws of the Malaysia, including Malaysian Anti-Corruption Act 2009 (MACC Act 2009) (Act 694) and its Amendment Act 2018, in respect of its conduct both local and abroad.
- 3.4 Corruption and bribery are criminal offences and are punishable for individuals or organization with not less than ten (10) times the value of the gratification or RM1 million, whichever is higher, or be subjected to imprisonment not exceeding twenty (20) years, or to both. If the Company is found to have taken part in corruption, it could face an unlimited fine and face damage to its reputation.

- 3.5 In this Policy “third party” means any individual or organization the Company come into contract with at work, and includes actual and potential customers, suppliers, distributors, business contacts, agents, advisors, consultants, subcontractors and jointventures partners.
- 3.6 To address these risks, the Company is having adequate procedures as per “**Five Principles – T.R.U.S.T.**” set out by MACC:
- i) **Top Level Commitment** i.e. regular review and update to this Anti-Corruption Ethics and Compliance Policy;
 - ii) **Risk Assessment** i.e. perform regular corruption risk assessment on the operations and review findings;
 - iii) **Undertake Control Measures** i.e. establish an Anti-Corruption Ethics and Compliance Policy;
 - iv) **Systematic Review, Monitoring and Enforcement** i.e. having both internal and external parties to audit the antibribery and anti-corruption system of company, as well as having a sufficient task force to monitor compliance and enforce the policies and procedures that have been rolled out; and
 - v) **Training and Communication** i.e. take steps to implement training programmes for all individual operating in areas of the organization that are identified as high risk.

4. DEFINITIONS

- 4.1 **Bribe** – Anything of value given in an attempt to affect a person’s actions or decision in order to gain or retain a business advantage. Anything of value includes cash, entertainment or other gifts or courtesies.
- 4.2 **Corruption** – The misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
- 4.3 **Facilitation Payments** – Small sums, unofficial payment made to secure or expedite a routine government action by a government official.
- 4.4 **Kickbacks** – The return of a sum already paid or due as a reward for awarding of furthering business.

5. GIFTS, ENTERTAINMENT AND HOSPITALITY

- 5.1 The Company's policy and practice encourage the use of good judgment, discretion, and moderation when giving or accepting gifts or entertainment in business settings. Gift giving and entertainment practices may vary in different cultures; however, any gifts and entertainment given or received must be in compliance with law, must not violate the Gift & Entertainment Policy on the matter, and be consistent with local custom and practice. We do not solicit gifts, entertainment, or favors of any value from persons or firms with which the Company actually or potentially does business. Nor do we act in a manner that would place any vendor or customer in a position where he or she may feel obligated to make a gift, provide entertainment, or provide personal favors to do business or continue to do business with the Company.
- 5.2 All benefits (including Gifts and Entertainment) must be:
- i) Reasonable in value
 - ii) Infrequent in nature
 - iii) Transparent and open
 - iv) Not given to influence or obtain an unfair advantage
 - v) Respectful and customary

6. FACILITATION PAYMENTS AND KICKBACKS

- 6.1 Do not make, and will not accept, facilitation payments or "kickbacks" of any kind.
- 6.2 Any individual with any suspicions, concerns or queries regarding a payment made on the Company behalf or improper business practices, he/she should raise these by notifying the persons stated in Clause 11 of this policy.

7. DONATIONS AND POLITICAL CONTRIBUTION

- 7.1 The Company does not make charitable donations or contributions to political parties and will not make any reimbursement for these personal political contributions back to its employees.
- 7.2 Contributions or donations made by the Company to community projects or charities need to be made in good faith and in compliance with the Code of Business Conduct & Ethics Policy, this Anti-Corruptions Ethics and Compliance Policy and all relevant policies and procedures of the Company.
- 7.3 The Company's funds, services, property, facilities or employee time cannot be used for or contributed to any political party or candidate for public office without approval by the Company Chairman.

8. PROCUREMENT PROCESS

- 8.1 The Company adheres to high integrity system in supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. When supplier selection is a formal and structured invitation for the supply of goods and services (often called a “tender”), it is most important to maintain supporting documentation for internal controls.
- 8.2 A tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract where a bidding process is open to all qualified bidders and where sealed bids are in the open for scrutiny and are chosen on the basis of price and quality.
- 8.3 Due diligence of new suppliers in supplier selection should include elements to avoid potential corruption and/or bribery.

9. RESPONSIBILITIES

- 9.1 The Company takes corruption and bribery very seriously. Any violation of this Policy will be regarded as serious matter by the Company and is likely to result in disciplinary action, including termination, consistent with the laws.
- 9.2 The Board has oversight of this Policy and all the employees under the Company are required to be familiar with and comply with this Policy.
- 9.3 Bribery is a criminal offense. An employee will be accountable whether he/she pays a bribe himself/herself or whether he/she authorizes, assists, or conspires with someone else to violate an anti-corruption or anti-bribery law. Punishment for violating the law are against him/her as an individual and may include imprisonment, probation, mandated community service and significant monetary fines which will not be paid by the Company.
- 9.4 Employee must notify his/her direct supervisor as soon as possible if he/she believes or suspect that a conflict with this Policy has occurred or may occur in future. For example, if a customer or potential customer offers him/her something to gain a business advantage with us or indicates to him/her that a gift or payment is required to secure their business.

10. RECORD KEEPING

- 10.1 The Company must keep financial records and have appropriate internal controls in place which will evidence the business reasons for making payments to third parties.
- 10.2 Ensure all expenses claims relating to hospitality, gifts or entertainment incurred to third parties are submitted in accordance with the Company’s policy.

10.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers and business contracts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

11. PROTECTION

Individuals who refuse to accept or offer a bribe or those who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. The company aims to encourage openness and will support anyone who raises genuine concerns in goodfaith under this Policy even if they turn out to be mistaken.

Anonymous email can be reported directly to either one or both of the following:

- i) MD – Dato’ Seri Lim Yeong Seong at yslim98@jatitinggi.com
- ii) Executive Director – Mr Chin Jiunn Shyong at chinjs@jatitinggi.com

12. TRAINING AND COMMUNICATION

12.1 All existing employees operating in areas that are perceived as high risk will receive regular, relevant training on how to implement and adhere to this Policy.

12.2 The zero-tolerance approach to corruption and bribery must be communicated to all suppliers, contractors, agents, business and other partners at the outset of the business relationship with them and as appropriate thereafter.

13. MONITORING AND REVIEW

13.1 All employees are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.

13.2 Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering corruption and bribery.

14. REVIEW

This policy is subject to change at any time, with or without notice, at the sole discretion of the Company.
