



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1. POLICY STATEMENT

- 1.1 Daiman Development Berhad and its subsidiaries companies (collectively, the “Company”) is committed to conducting business transparently, honestly and with integrity. Therefore, it is important that the Company complies with and conducts its business in accordance with applicable anti-bribery and anticorruption laws (“ABC” Laws”). This policy should be read in conjunction with the Company’s Code of Business Conduct and Ethics.
- 1.2 The Company will abide by the Malaysian Anti-Corruption Commission (MACC) Act, 2009 in all of the jurisdictions in which the Company operates or conducts its business.
- 1.3 Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages. Corruption is the abuse of entrusted power for private gain.
- 1.4 The Company’s Code of Business Conduct and Ethics strictly prohibits the staff from giving, paying, offering, or authorizing the provision of anything of value to any person or political organization for the purpose of influencing anyone improperly, gaining an improper business advantage, or rewarding anyone for the improper performance of any function or activity
- 1.5 The purpose of this policy is to:
 - 1.5.1 set out the Company’s responsibilities, and the responsibilities of those working for or with the Company in observing and upholding the Company’s position, on bribery and corruption;
 - 1.5.2 ensure that the Company has adequate procedures in place to prevent and detect bribery and corruption;
 - 1.5.3 provide information and guidance to those working for or with the Company on how to recognize and deal with potential bribery and corruption issues; and
 - 1.5.4 protect the Company against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.
 - 1.5.5 This policy applies to the directors, officers, employees (whether permanent, under contract or temporary), technical and other consultants, agents or any other person associated with or acting on behalf of the Company.

2. GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION

(Refer to Appendix I – GUIDELINE and MANUAL)

Bribery Risk Areas

Bribery risks may arise in a variety of contexts and even if there is no intent to exert improper influence, giving something of value may create the appearance of impropriety or trigger an allegation that bribery has been committed.

This Policy cannot address specifically every corruption risk that the Company Directors and the employees may confront. Instead, the Policy is intended as a tool to assist in identifying the primary anti-corruption considerations across the following key bribery risk areas for the Company:

i) Business Courtesies

This Policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest and bona fide corporate hospitality. Some examples of acceptable gifts and/or benefits are as follows:-

- a) token gifts offered in business situations or to all participants and attendees for example, work-related seminars, and business events;
- b) gifts are given in gratitude for hosting business events;
- c) refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
- d) meals for business purposes.

As a general principle, the Directors and Employees should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits. In addition, lavish or unreasonable gifts or hospitality should not be accepted as such gifts or hospitality may be perceived or interpreted as attempts by the Directors or Employees to obtain or receive favourable business treatment for personal benefits.

The Directors and Employees should be mindful in giving or receiving gifts as it could be perceived as a way of improperly influencing the decision making of the recipient. Hence, the intention behind the gifts should always be considered.

Gifts

A gift or a present is the transfer of something without the expectation of receiving something in return. Although gift-giving might involve an expectation of reciprocity, a gift is meant to be free.

Gifts Policy

- Giving or accepting non-monetary personal gifts is allowed without pre-approval if it is of *nominal value and complies with the Company obligatory guidance.
- The Company does not accept gifts which are given regularly and often.
- Valuable items received as gifts will be returned, or dispose of as gifts as agreed by management

Nominal value – means small enough that they could not be seen as an attempt to induce someone to misuse their position, such as a fruit basket, flower and book.

Hospitality and Entertainment

Hospitality is the relationship between guest and host, or the act or practise of being hospitable. Specifically, this includes the reception and entertainment of guests and special events.

Hospitality and Entertainment Policy

- Entertainment and meals must serve a legitimate business purpose and should not include spouses or other guests of the invitee.
- Company obligatory guidance must be satisfied
- Do not give or accept lavish or frequent entertainment which is not hosted.

ii) Third Parties

All third parties, including agents, suppliers and joint venture partners should be made aware of this Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

Agents and other intermediaries describe individuals who have a close relationship with the company such as advisers, consultants and distributors. The Company prohibits agents and other intermediaries to act on their own and commit bribery. The Company is committed to not giving or accepting bribes and will protect the company by enabling a swift severance from an agent if they commit a bribery offence.

Agent and other intermediaries Policy

- To eliminate integrity risks derived from agents and intermediaries making payments for services

iii) Sponsorship

Sponsorship unlike charitable contributions is made for business objectives and usually for brand and reputation management purposes. Sponsorship can be made in cash or in-kind but the sponsorship should bring real, measurable benefits to the business. Sponsorship activities can take place in the areas of sports, education and culture.

Sponsorship can be subject to kickbacks; funds can be steered for the corrupt purpose to “front” charitable purposes, sporting or philanthropic organizations or used to create undue influence such as sponsoring a favoured cause of a decision-maker or customers. Therefore, every request is to be thoroughly scrutinised.

Sponsorship Policy

The sponsorship activities must be approved by the Managing Directors

iv) Facilitation Payments To Government Officer

Facilitation payments are unofficial payments or other advantages made to secure or expedite the performance of a routine action by a government officer. The Company generally prohibits these payments, just as it prohibits all bribery. However, there could arise circumstances in which the Directors or Employees have no alternative but to make a facilitation payment in order to protect themselves from injury, loss of life or liberty. Any request for facilitation payment under such circumstances should be reported immediately to the superior or Head of Division/Department.

Facilitation Payment Policy

- The Company prohibit payments for facilitation action.

v) Political Contribution

A political contribution is a contribution, financial or in-kind made to a politician or a political campaign or a political party. Examples include providing gifts or service.

Political contribution can be legitimate if supporting documents or financial reports are provided to support the democratic process.

Political Contributions Policy

- The Company may make company political contribution to a legitimate and transparent political party. Subject to any prevailing law that govern political contribution. All political contributions require approval from the Managing Director.

vi) Charitable Contribution

Charitable support and donations are acceptable (and indeed are encouraged), whether of in kind services, knowledge, time, or direct financial contributions. However, Directors and Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the Managing Director.

Charitable Contributions Policy

- Donations must be transparent
- Donations to private accounts or in cash are not permitted
- Donations should always be given to a charitable organization and not to an individual

3. SECTION OF PROCEDURE

The Adequate Procedures are established in accordance to the MACC guidelines on adequate procedures.

1) Top Level Commitment

- The top level management will take responsibility at his/her best knowledge to comply with the applicable laws and regulatory requirement on anti-corruption.
- Any corruption risk(s) identified, the top level management will make decision for an action taken accordingly.
- The consideration of establishing the Company's tone from the top are deem incorporated in this Policy, as top level management will emphasise "no corruption" at Company level, to strengthen the Company's stance against corruption practices.
- The assessment, review and controls outline in the Policy will push the practice of anti-corruption to be enforced, to improve any inadequacies in anti-corruption program.

2) Risk Assessment

The corruption risk assessment will be conducted at least once in every three (3) years. An ad-hoc assessment may be conducted upon requested by Board of Directors. The assessment may include:-

- To assess on business activities, any weaknesses in the Company's measures that will expose to the risk of corruption, to highlight the risk in risk register;
- To determine whether has any existing external parties acting on behalf of the Company has any issues or legal cases on corruption;
- To check all vendors and suppliers in the Company on the rationale and nature of engagement, whether has any unlikely exposure to corruption, etc.

3) Undertake Control Measures

Human Resource Department will conduct due diligence on any recruitment of the employee for the Company. On vendors, suppliers, consultants, or senior public officials, the respective Head of Department and/or Director(s) who deals with them will conduct a due diligence on them accordingly.

The due diligence shall be performed in various methods as much as possible, to ensure corruption risk been identified.

Whistleblowing Policy

The Company encourages openness and transparency in its commitment to the highest standard integrity and accountability.

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 be also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

4) Systematic Review, Monitoring and Enforcement

Managing an anti-bribery programme is a continuous, iterative process. It involves close scrutiny of the design of the programme to ensure that it is meeting its objectives. Effective anti-bribery monitoring will cover all activities within the company and its controlled entities, as well as the activities carried out on its behalf by intermediaries and other third parties. The outcome of such monitoring activities and the reporting thereof to the Board, contribute to the adequacy of a company's overall governance and oversight procedures.

Assign responsibilities

- The Compliance Manager to take charge on monitoring the performance of personnel in relation to any anti-corruption policies and procedures.

Monitoring Activities

- The Compliance Manager should carry out necessary checks to ensure that the anti-bribery procedures are being implemented effectively and efficiently across the business, that improvement areas are being accurately identified, unusual activity and violations of the anti-bribery policy are detected.

- The Companies should ensure that it monitors vulnerable functions which will include the following:
 - ✓ Procurement and contracting
 - ✓ Sales and marketing, especially to public officials
 - ✓ Third Parties
 - ✓ Projects
 - ✓ Recruitment and Board appointment
 - ✓ Public or corporate affairs
 - ✓ Sponsorship management
 - ✓ Charitable donations
 - ✓ Finance, including accounts payable and assets management
 - ✓ Facilities managementIn addition, transactions should be regularly and systematically monitored, for example:
 - ✓ Financial systems and records: Checks should include general ledger account review and samples of transactional records making sure that they are correctly accounted for in the books and supported by adequate documentation.
 - ✓ Cash Disbursement: Checks that the controls for cash payments are being implemented and record correctly.
 - ✓ Payments to high-risk third parties: Checks that the fees or payments to/from third parties are appropriate for the services, that the payments match contracts and are paid through appropriate channel, rather than off-shore accounts.
- The Companies can ensure effective monitoring is taking place by undertaking the following activities:
 - ✓ Conducting interviews with management, employees, and third parties.
 - ✓ Obtaining feedback from training and exit interviews, manager appraisals, employee suggestions, reports on use of whistleblowing channels.
 - ✓ Conducting transactional analysis, which may lead to forensic investigations.
 - ✓ Conducting internal operational audits for example, checking whether new employees receive appropriate induction; that training programmes reach all employees; if policies exist and whether they are being followed in practice. Audits should also cover how incidents of bribery are dealt with, and whether appropriate sanctions are applied.
 - ✓ Ensuring that all stages of high risk processes are checked
 - ✓ Carrying out spot checks.

- ✓ Engaging external companies to provide independent review and assurance of the anti-bribery systems and controls in place. (at least once every three year)
- Senior Management, through receiving regular reports, will be able to form a judgement as to whether the anti-bribery programme is being applied appropriately, to identify any deficiencies or risks that may not be dealt with adequately and to decide on actions to strengthen and improve the programme.

5) Training and Communication

Internal training and communication are essential in providing the necessary information.

- Integrated: Take an integrated approach to all aspects of anti-corruption employee engagement to ensure that employees receive consistent messaging.
- Appropriate messages: convey anti-bribery messages that are seen by employees as appropriate, attainable and which will build confidence and trust in the company and its integrity.
- Continuous improvement: Encourage employees to make suggestions for improving anti-corruption internal controls and procedures.

The Company's anti-corruption policy would be made publicly available, and should also be appropriately communicated to all personnel and business associates. Carry out an appropriate level of pre-engagement due diligence on third parties and repeat periodically.

4. RECORD-KEEPING

It is important that proper and complete records be maintained of all payments made to third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with accuracy and completeness.

Employees must declare all gifts accepted or offered, and submit details to the person-in-charge who is assigned by the respective Division/Department for recording into a register which will be subject to internal audit review. Employees must also ensure that all expense claims relating to gifts or expenses incurred to third parties are approved by the Head of Division/Department and must be specifically recorded the reason for such expenditure.

5. COMPLIANCE TO THE LAW

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the Malaysian Anti-Corruption Commission Act 2009 (including any amendment thereof). The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

6. REPORTING OF VIOLATIONS OF THE POLICY

Any employee who knows of, or suspects, a violation of the Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the Group's Whistleblowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the Policy are available on the Company website. No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.

Consequence of misconduct

The Company has no tolerance for a compliance violation. We must have a strong process for dealing with those who violate this non-negotiable code.

Non-compliance means disobeying the laws, behaving in non-accordance with the policies of the Company and following processes laid down for the enforcement of those policies. Any violation will be treated as an extremely serious matter, with one or more of the following sanctions being applied:

- Written warning
- Demotion
- Immediate dismissal without notice
- Termination of contract (with external parties)

7. REVIEW OF THE POLICY

The Board will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.

GUIDELINE AND MANUAL

APPLICATION AND DEFINITIONS

APPLICATION

This guideline is intended to apply to every employee. It is also intended to apply to every director (executive and non-executive) for those companies, except as otherwise stated in this guideline.

Although this guideline is specifically written for the Company employees and directors, the Company expect 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 and services.

If a law conflicts with a policy as set out in this guideline, you should comply with the law. If you perceive that a provision in this guideline conflicts with the law in your jurisdiction, you should consult with your Head of Department/ Division or Human Resource Department (“HRD”), rather than disregard the guideline without consultation.

DEFINITIONS

Reference to “you” in this guideline refer to any person to whom this guideline applies. Where more specific references are used (such as “employee”), the more specific reference is intended.

For purposes of this guideline, the term “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.

For purposes of this guideline, the term “employee” means any persons who are in the employment of the Company including but not limited to executives, non-executives, secretaries, and individuals on direct hire.

GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY

1. “NO GIFT” POLICY

The Company has adopted a “No Gift” Policy whereby, subject only to certain narrow exceptions, the Company employees and directors (executive and non-executive), family members or agents acting for or on behalf of the Company employees, directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts.

The Company requires employees and directors to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealing be seen as a bribe that may tarnish the Company’s reputation or be in violation of anti-bribery and corruption laws.

As set out in the Company Code of Conduct and Business Ethics, a conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in the Company for his or her benefit, including the benefit of his or her family/household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by the Company from its employees and directors in the performance of their duties and obligations.

It is the responsibility of employees and directors to inform external parties involved in any business dealings, with the Company that the Company practices a “NO Gift Policy” and to request the external party’s understanding for and adherence with this policy.

a) RECEIVING GIFTS

The Company is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging the Company’s “No Gift Policy”, some external parties may still insist in providing gifts to the Company’s employees, directors and or/their family members in certain situations which do not fall within the general exceptions.

Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of the Company is allowed only in very limited circumstances, whereby refusing the gifts is likely to seriously offend and may sever the Company’s business relationship with the Third Party.

In these limited circumstances, employees are expected to immediately record the gift in the **Gift Activity Reporting Form** which is available at the ‘Form’ section in the HRD handbook for submission to your Head of Department/ Division (“HOD”) who will decide whether to approve the acceptance of the gift or require it to be returned.

Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then clearly the HOD cannot approve the acceptance of said gift (in the case of directors, would advise the same). In this situation, the gift must be politely returned with a note of explanation about the Company’s “No Gift” policy.

In the event the HOD approves the acceptance of the gift, he/she must also determine the treatment of the gift whether to:

- i) Donate the gift to charity; or
- ii) Hold it for departmental display; or
- iii) Share with other employees in the department; or
- iv) Permit it to be retained by the employee

In determining the above, HOD is expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position/seniority of the person(s) providing the gift, the business context, reciprocity, applicable laws and cultural norms.

b) PROVIDING GIFTS

Generally employees are not allowed to provide gifts to third parties with the exception of the any other officers identified in the gift and entertainment policy of the respective jurisdictions.

c) EXCEPTIONS TO THE “NO GIFT” POLICY

Although generally the Company practices a “No Gift Policy”, there are certain exceptions to the general rule whereby the receiving and provision of the gifts are permitted in the following situations:

- i) Exchange of gifts at the company-to-company level
- ii) Gifts from the Company to External institutions or individuals in relation to the Company’s official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event).
- iii) Gifts from the Company to employees and directors and/or their family members in relation to an internal or externally recognised company function, event and celebration (e.g. in recognition of an employee’s/director’s service to the company).
- iv) Token gifts of nominal value normally bearing the Company’s logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company’s brand building or promotional activities; and
- v) Gifts to external parties who have no business dealings with the Company (e.g. monetary gifts or gifts in-kind to charitable organisations).

Even in the above exceptional circumstances, employees and directors are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles set out in the Company’s Code of Conduct and Business Ethics as per below:

- Conscientiously maintain the highest degree of integrity
- Always exercise proper care and judgment
- Avoid conflict of interest
- Refrain from taking advantage of your position or exercising your authority to further your interest at the expense of the Company, and
- Comply with applicable laws, regulations and the Company policies and procedures.

2. ENTERTAINMENT

The Company recognises that providing or occasional acceptance of a reasonable and modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster a good business relationship with external clients.

As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

Employees and directors should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore always exercise proper care and judgment when providing or before accepting entertainment to/ by third parties especially when it involves public officials to ensure compliance with local anti-bribery and corruption laws.

Employees and directors are strictly prohibited from providing or offering to provide entertainment to improperly cause undue influence on any party in exchange for some future benefit or result.

You are required to comply with the policies and procedures and maintain expenses within the limits of your entitlement, when carrying out entertainment activities.

3. DEALING WITH PUBLIC OFFICIALS

Caution must be exercised when dealing with public officials as the laws of bribery and corruption.

If approval is obtained for you to provide gift or entertainment to public officials, you must ensure that the gift and entertainment are not excessive and lavish, and must commensurate with the official designation of the public official and not his capacity.

4. SPONSORSHIPS AND DONATIONS

In accordance with the Company's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:

- Ensure such contributions are allowed by applicable laws
- Obtain all the necessary internal and external authorisations
- Be made to well established entities having an adequate organisational structure to guarantee the proper administration of the funds
- Be accurately stated in the company's accounting books and records
- Not to be used as a means to cover up an undue payment or bribery