



ANTI-BRIBERY & CORRUPTION POLICY

INTRODUCTION

As a matter of principle, whoever we may deal with and wherever we may operate, the LPI Capital Bhd and its subsidiary(ies) (“Group”) is committed to doing so lawfully, professionally, ethically and with integrity as propounded under the *Group’s Code of Ethics*.

As part of this commitment, we adopt a zero-tolerance policy against all forms of bribery and corruption. We must not engage in such activity and we must also ensure that our board members, employees and any third party acting on our behalf (collectively referred to as associated persons¹ hereafter) does not act corruptly in our dealings with any other person. The fundamental standards of integrity under which we operate do not vary depending on where we work or whom we are dealing with.

These policies and procedures have been designed to: -

- comply with all applicable laws, legislation, regulations, guidelines, and policies governing bribery and corrupt practices in Malaysia² and Singapore³ as well as on a global basis⁴.
- provide guidance on the standards of behaviour to which we must all adhere and most of these reflect common sense and good business practices that we all work towards in any event as carefully elaborated under the *Group’s Code of Conduct*.
- sets out a single standard that all associated persons must comply with, regardless of whether local law or practices might permit something to the contrary.
- to ensure that the people acting on our behalf also do so in compliance with effective anti-bribery and corruption policies.

OBJECTIVE AND PURPOSE

This policy is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, this policy is designed to help you to identify when something is prohibited so that bribery and corruption is avoided. It also provides you with help and guidance if you are unsure about whether there is a problem, and you need further advice.

The policy also exists to act as a source of information and guidance for those working for the Group. It helps them recognise and deal with bribery and corruption issues, as well as understand their responsibilities.

¹ Under Section 17A (6) of the MACC Act, 2018, Associated Person is defined as director, partner, an employee or a third party, who performs services for and on behalf of the commercial organisation

² Malaysian Anti-Corruption Commission Act 2009 (“Act”)

³ Singapore’s Prevention of Corruption Act (1960)

⁴ Financial Task Force International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation (FATF 40 + 9 recommendations)



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Failure to comply with this policy, whether or not this is intentional, may lead to disciplinary action (up to and including dismissal), and criminal liability for the individual involved (up to and including imprisonment). All associated persons will be required to confirm that they have read and understood the policy and that they comply with its terms as part of their ongoing engagement or employment assessment processes. In addition, relevant employees will be required to attend training to support the guidance in this policy.

SCOPE & APPLICABILITY

This policy applies to: -

- board of directors, employees (full and part time) and the management of the affairs of the Group who are hereby referred to as associated persons; and
- third parties such as agents, distributors, consultants, contractors, sub-contractors, representatives, professional advisors, vendors, suppliers, joint venture partners and others performing work or services for and on behalf of the Group (collectively referred to as “third party” for ease of reference) in observing and upholding our zero-tolerance position on bribery and corruption.

Accordingly, where we engage third parties, we have obligations to complete a sufficient due diligence exercise when entering into arrangements to ensure that they are not acting corruptly and to periodically monitor their performance to ensure ongoing compliance.

WHAT IS BRIBERY?

1 Bribery commonly involves the following: -

- a) when a financial or other advantage is offered, given, or promised to another person with the intention to induce or reward them or another person to perform their responsibilities or duties improperly (it does not have to be the person to whom the bribe is offered that acts improperly); or
- b) when a financial or other advantage is requested, agreed to be received or accepted by another person with the intention of inducing or rewarding them or another person to perform their responsibilities or duties inappropriately (it does not have to be the person who receives the bribe that acts improperly).

2 It does not matter whether the bribe is: -

- a) given or received directly or through a third party (such as someone acting on our behalf, for example an agent, distributor, supplier, joint venture partner or other intermediary); or



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- b) for the benefit of the recipient or some other person; or
 - c) the value of the “bribe” is small or minimal.
- 3 It should be noted that, among others, an offence relating to bribery and corruption may be committed even if the so-called “bribe” is not in the form of money. Bribes can take many shapes and/or forms, for example: -
- a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
 - b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
 - c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
 - d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
 - e) any forbearance to demand any money or money's worth or valuable thing;
 - f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
 - g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

This policy refers to “Bribery and Corruption” as a standard term to cover all types of gratification.

- 4 This policy applies to both the public and private sectors. Dealing with public officials poses a particularly high risk in relation to bribery and corruption and specific guidance when dealing with public officials is set out below.
- 5 A breach of bribery law can result in fines for both the Group and the individual involved, and in some cases, can also result in imprisonment.

HOW DO I KNOW IF SOMETHING IS A BRIBE?

- 1 In most circumstances, common sense will determine when a bribe is being offered. However, here are some questions you should ask yourself when one is in doubt: -



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- 1.1 am I being asked to pay something or provide any other benefit over and above the cost of the services being performed, for an example an excessive commission, a lavish gift, a kickback or contribution to a charity or political organisation?
- 1.2 am I being asked to make a payment for services to someone other than the service provider?
- 1.3 are the hospitality or gifts I am giving or receiving reasonable and justified?
- 1.4 when a payment or other benefit is being offered or received, do I know or suspect it is to induce or reward favourable treatment, to undermine an impartial decision-making process or to persuade someone to do something that would not be in the proper performance of his/her job?

GENERAL PROHIBITION

- 1 All forms of bribery and corruption are prohibited.
- 2 Any breach of this policy or local law could result in disciplinary action being taken and ultimately could result in dismissal.
- 3 An actual act of bribe does not actually have to take place - just promising to give a bribe or agreeing to receive one is prohibited.
- 4 Bribery is prohibited when dealing with any person whether they are in the public or private sector and the provisions of this policy are of general application.

GIFTS, HOSPITALITY AND EXPENSES

- 1 Giving or receiving gifts or hospitality is often an important part of maintaining and developing business relationships.
- 2 All gifts and hospitality should be appropriate and reasonable taking into consideration the type and value as well as the timing and reason, given in the ordinary course of business and should comply with our *Receiving & Giving of Business Gift Policy - General Conduct* and local laws.
- 3 Lavish or unreasonable gifts or hospitality, whether these are given or received, are unacceptable as they can create the impression that we are trying to obtain or receive favourable business treatment by providing individuals with personal benefits.
- 4 In addition, gifts and hospitality can themselves be a bribe. Be careful to avoid even the appearance that the giving or accepting of gifts or hospitality might influence the decisions you take on behalf of us.



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FACILITATION PAYMENTS

- 1 Facilitation payments are any payments, no matter how small, given to an official to increase the speed at which they do their job. For example, this could include speeding up submission or incorporation processes.
- 2 Any request or pressure to make a facilitation payment should be reported to your Compliance Officer/Supervisor.

THIRD PARTIES

- 1 We could be liable for the acts of people that act on our behalf.
- 2 Third parties are defined as agents, distributors, consultants, contractors, sub-contractors, representatives, professional advisors, vendors, suppliers, joint venture partners and others performing work or services for and on behalf of the Group. As such, we are committed to promoting compliance with effective anti-bribery and corruption policies by all third parties acting on our behalf.
- 3 All third parties should be made aware of the terms of our policies on bribery and corruption and of their obligations to comply with it.
- 4 All arrangements with third parties should be subject to clear contractual terms including specific provisions requiring them to comply with minimum standards and procedures in relation to bribery and corruption. Appropriate wording to be included in contracts can be obtained from Compliance or Legal Department.
- 5 You must not engage any third party who you know or reasonably suspect of engaging in bribery.
- 6 Appropriate due diligence should be undertaken before any third parties are engaged. The appropriate level of due diligence will vary depending on the circumstances and you should use your judgement on a case-by-case basis.
- 7 Questions you should be asking yourself include: -
 - 7.1 who are they – have I seen documents evidencing that they are who they say they are?
 - 7.2 who else have they worked with – do they have references?
 - 7.3 are they well established with a good reputation or are they more obscure so that I need to do more to find out about them?
 - 7.4 do they operate in a territory where bribery is prevalent?



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- 7.5 are they happy to sign a contract agreeing to comply with anti-bribery procedures? do they have their own anti-bribery programme?
- 7.6 have I done basic searches such as Google searches, business directory searches, etc.?
- 7.7 are there inconsistencies between the provider of the services and the person I am paying?
- 7.8 are commissions/payments in line with generally accepted market practice?
- 8 Some high-risk transactions will require further due diligence which may require independent investigation. Employees will be provided with helpful guidance and checklists where appropriate to support the due diligence process.
- 9 Entering into any joint venture arrangement without prior approval from the Management is prohibited.
- 10 All payments and commissions to third parties must be: -
 - 10.1 made in accordance with the Group Authority / Signing Matrix / Framework and all applicable policies;
 - 10.2 made via bank transfer through the accounts payable system and be fully accounted for;
 - 10.3 in line with generally accepted rates and business practice for the service in question and should not be unjustifiably excessive or unsupportable; and
 - 10.4 must be made in accordance with the terms of the contract with the person or Company providing the services.
- 11 If you have any concerns that arrangements with a third party are not in accordance with this policy, please consult the Compliance or Legal Department.

DEALING WITH PUBLIC OFFICIALS

- 1 Although this policy applies to both public and private sectors, dealing with public officials poses a particularly high risk in relation to bribery due to the strict rules and regulations in many countries.
- 2 Public officials include those in government departments, government owned or controlled commercial enterprises, political parties and political candidates.
- 3 The provision of money or anything else of value, no matter how small, to any public official for the purpose of influencing them in their official capacity is prohibited.



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- 4 The contact person for any clarification or advice on dealing with public officials or other entities on the following is the Chief Compliance Officer: -
 - 4.1 any payment in respect of fees, salary or commission (this does not include official fees);
 - 4.2 gifts and hospitality; and
 - 4.3 making charitable contributions in connection with dealings with a public official.
- 5 In addition, many public officials have their own rules regarding the acceptance of gifts and hospitality, etc., and we must respect these rules where applicable.
- 6 Political donations by or on our behalf are prohibited. The Group will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

COMPLIANCE WITH THE POLICY

- 1 It is the responsibility of the anti-bribery and corruption officer to ensure compliance with this policy in each business.
- 2 Ultimate responsibility for compliance with this policy throughout the group is taken by the Chief Compliance Officer. However, each of us has an obligation to act with integrity and to ensure that we understand and comply with the policy.
- 3 The Internal Audit Department will include a review on the effectiveness of this policy as well as measures undertaken to comply with the policy as part of its audit of the Compliance Department.
- 4 As an associated person of the Group, you must read, understand, and comply with the information contained within this policy and with any training or other anti-bribery and corruption information you are given.
- 5 All associated persons are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption.
- 6 All associated persons are required to avoid any activities that could lead to, or imply, a breach of this Anti-Bribery and Corruption Policy.
- 7 If any associated person breaches this policy, they will face appropriate action and could face dismissal for gross misconduct. The Group has the right to terminate a contractual relationship with any associated person if he/she has breached this Anti-Bribery & Corruption Policy.



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- 8 Training will be provided to directors, employees and agents throughout the Group to support them in complying with their responsibilities. If you are not selected for training but believe that it is relevant for you then please request the Group Human Resource ("GHR") Department for further information.

WHAT HAPPENS IF I NEED TO RAISE A CONCERN?

- 1 How to raise a concern

If you suspect that there is an instance of bribery or corrupt activities occurring in relation to the Group or its associated persons, you are encouraged to raise your concerns as early as possible. If you are uncertain about whether a certain action or behaviour can be considered bribery or corruption, you should speak to your line manager or the Head of Compliance.

- 2 The Group will familiarise all associated persons with its whistleblowing procedures so employees can raise their concerns swiftly and confidentially.
- 3 What to do if you are a victim of bribery or corruption?

You must notify the Head of Compliance as soon as possible if: -

- 3.1 you are offered a bribe by anyone;
- 3.2 you are asked to make one;
- 3.3 you suspect that you may be bribed or asked to make a bribe in the near future; or
- 3.4 you have reason to believe that you are a victim of another corrupt activity.

- 4 Protection

If you refuse to accept or offer a bribe or you report a concern relating to potential act(s) of bribery or corruption, the Group understands that you may feel worried about potential repercussions. The Group will support anyone who raises concerns in good faith under this policy, even if investigations indicate that there was a misunderstanding.

- 5 The 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.
- 6 Detrimental treatment refers to dismissal, disciplinary action, threats, or unfavourable treatment in relation to the concern the individual raised.
- 7 If you have reason to believe you have been subjected to unjust treatment as a result



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of a concern or refusal to accept a bribe, you should inform your line manager or the Head of GHR immediately.

TRAINING AND COMMUNICATION

- 1 The Group will provide training on this policy as part of its orientation process for all new employees.
- 2 Employees will also receive regular, relevant training on how to adhere to this policy, and will be asked to formally accept that they will comply with this policy.
- 3 The Group Anti-Bribery & Corruption Policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners, and any third parties at the outset of business relations, and as appropriate thereafter. Third parties will be required to sign a declaration on their understanding and commitment of the Group's Anti-Bribery & Corruption Policy.
- 4 The Group will provide relevant anti-bribery and corruption training to employees etc. where we feel their knowledge of how to comply with the Malaysian Anti-Corruption Commission ("MACC") Act needs to be enhanced.

RECORD KEEPING

- 1 The Group will keep detailed and accurate financial records and will have appropriate internal controls in place to act as evidence for all payments made.
- 2 The Group will declare and keep a written record of the amounts and reasons for hospitality or gifts accepted and given. Gifts and acts of hospitality are subject to managerial review.

WHISTLEBLOWING

- 1 The Group is committed to ensuring that employees can speak up with confidence if they have any concerns or need to ask for help.
- 2 If you suspect or observe anything that you think might be in contravention of this policy, you have an obligation to report it.
- 3 You can report your concerns under the *Group Whistleblowing Policy*.



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- 4 The Group will not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical, or inappropriate behaviour.
- 5 All reports will be treated confidentially.

BOARD AND MANAGEMENT COMMITMENT

1. In order to achieve the above-stated objectives and to ensure there is zero-tolerance to bribery and corrupt practices within the Group, the Board and Management is placing concerted efforts to ensure that it will: -
 - 1.1 establish, maintain and periodically review its anti-corruption compliance policy and programme;
 - 1.2 promote a strong culture of integrity within the Group;
 - 1.3 communicate the Group's policies and commitments on anti-corruption to both internal and external parties;
 - 1.4 encourage use of reporting channels (whistleblowing) in relation to suspected and/or real corruption incidents or inadequacies in the anti- corruption compliance policy and programme;
 - 1.5 assign a competent person or function to be responsible for all anti- corruption compliance matters;
 - 1.6 ensure lines of authority for personnel tasked with responsibility for overseeing the anti-corruption compliance programme are clear; and
 - 1.7 report all audit, reviews of risk assessment, control measures and performance to the Board and the Management.

RISK ASSESSMENT

- 1 The Group and its Management will conduct Corruption Risk Assessments (CRA) periodically and when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of the Group.
- 2 As part of the CRA, the Group will take into account the following aspects: -
 - 2.1 Opportunities for corruption and fraud activities resulting from weaknesses in the Group's governance framework and internal systems/procedures;



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- 2.2 Financial transactions that may disguise corrupt payments;
 - 2.3 Business activities in countries or sectors that pose a higher corruption risk;
 - 2.4 Non-compliance of external parties acting on behalf of the Group regarding legal and regulatory requirements related to anti-corruption; and
 - 2.5 Relationships with third parties in its supply chain which are likely to expose the Group to corruption.
- 3 The Group has put in place the appropriate: -
- 3.1 Controls; and
 - 3.2 Contingency measures.
- which are reasonable and proportionate to the nature and size of the organisation.
- 4 The controls and contingency measures should include: -
- 4.1 Due diligence
- The Group has established criterion for conducting due diligence on any relevant parties or personnel (such as Board Members, employees, agents, distributors, consultants, contractors, sub-contractors, representatives, professional advisors, vendors, suppliers, joint venture partners and public officials) prior to entering into any formalised relationships.
- 4.2 Reporting Channel
- The Group: -
- 4.2.1 has established an accessible and confidential trusted reporting channel namely through the *Group Whistleblowing Policy*, which may be used anonymously, for internal and external parties to raise concerns in relation to real or suspected corruption incidents or inadequacies of the anti-corruption programme;
 - 4.2.2 encourages persons to report, in good faith, any suspected, attempted or actual corruption incidents;
 - 4.2.3 established a secure information management system to ensure the confidentiality of the whistleblower's identity and the information reported; and
 - 4.2.4 prohibits retaliation against those making reports in good faith.



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REVIEW OF POLICY

The Management will review this policy as and when necessary to ensure it is effective and consistent with the Group's objectives and responsibilities, aligned with the relevant standards of corporate governance and applicable legal requirements, at least once in every 3 years.

GROUP RIGHTS

The Group reserves the right to alter, delete or add to any of the Group or Company policies as it deems appropriate. Should there be any alteration, deletion or addition, this shall be communicated to all associated persons through appropriate channels.