

FARLIM GROUP (MALAYSIA) BHD

[Registration No. 198201002529 (82275-A)]

ANTI-BRIBERY GUIDELINES

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ANTI-BRIBERY GUIDELINES

I. PREAMBLE

The Group's reputation and good standing are dependent on its directors, members of management, employees and business associates acting responsibly and conducting business in a corrupt free manner.

Therefore, every member of the Group undertakes to comply with the statutory regulations and requirements governing the anti-bribery offences in Malaysia and/or any other countries that the Group may be operating in.

These Anti-Bribery Guidelines ("ABG") provide details regarding ethical business conduct as well as compliance with the relevant anti-bribery laws and regulations. All directors, members of management and employees should adhere to this ABG and also educate our business associates to adhere to the relevant portions of this ABG.

If you have any doubt or require any clarification about the application of the ABG, please contact our representatives as follows.

No.	Name	Designation	Email	Contact Number
1.	Koay Hooi Lynn	Audit Committee Chairman	lynnkoay6969@gmail.com	+6012-484 2882
2.	Adlina Hasni Binti Zainol Abidin	Non-Executive and Independent Director	adlina_hasni@yahoo.com.my	+6019-354 0831
3.	Foo Yeok Kheong	General Manager	fooyk@farlim.com.my	(+60)4-829 8899 ext 305
4.	Cheng Cheang Teck	General Manager, PJ Office	chengct@farlim.com.my	(+60)3-5635 5533 ext 316

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II. POLICY STATEMENT

It is our policy that the Group shall conduct its business honestly and ethically. The Group does not tolerate any bribery and corruption. The Group is committed to acting professionally, fairly and with integrity in all our business dealings and relationships. In achieving this, the Group has implemented, operated and enforced effective systems to counter bribery and corruption in accordance with the practices defined in the ABG and the Corruption Prevention Policies and Framework.

III. OBJECTIVE

The objective of the ABG is to provide guidance to our staff members, employees and business associates in taking reasonable and proportionate measures and steps to ensure that the Group does not engage in bribery activities.

All staff members, employees and business associates who are aware of, or suspect a violation of the ABG shall report the violations in accordance with the Group's prescribed whistleblowing procedures.

IV. SCOPE & APPLICATION

The ABG defines the Group's practices on receiving and offering gift, hospitality and entertainment, referral, facilitation, sponsorship and donation (the "offerings") and it applies to all directors and employees (be it permanent or temporary) of the Group.

For the avoidance of doubt, all expenses to be incurred for offerings permitted under the ABG shall still be subjected to the authorisation, requisition, payment and reimbursement processes defined under the Group's standard operating procedures.

GIFTS



1 Types

The common types of gifts received or offered may include, but are not limited to cash, gift vouchers, fruits basket, hampers and premier gifts such as pens, umbrellas, watches and mugs.

2 When would This Happen?

Receiving and offering gifts usually happened during new project launching, "Open House", festive seasons, appreciation session, dignitary and VIP visits, gift exchange during official functions, public presentation, ceremony, events and celebrations.

3 Farlim's Policy

The Group shall not receive or offer any form of cash or cash-equivalent gift above the following prescribed limits:

- i. RM1,500 for directors; and
- ii. RM500 for management and employees.

Immediate family members of directors, management and employees of Farlim are prohibited to receive and offer gifts from and to all business associates or employees or family members of the business associates and their employees.

4 Response to Gift Request

Directors, management and employees and their immediate family members shall inform any person making a gift request about the Group's gift policy and seek their understanding and respect of this policy politely.

5 Exception

When offering or receiving a gift of more than prescribed limits, the directors, management and employees are obliged to record such gifts in 'Gift Giving and Receiving Approval Form' and to obtain approval.

However, none of the Director shall approve gift to be offered and received by him/herself and shall seek approval from other Director or the Chairman and Chief Executive.

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GIFTS



5

Exception
Cont'd

When approval is not given, the gift received must be:

- i. Politely returned with a note of explanation about Farlim's Gift Policy; or
 - ii. Donated to a charity and the person giving the gift being informed accordingly.
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HOSPITALITY & ENTERTAINMENT



1 Types

Though it is rare, hospitality provided or received by the Group may include but is not limited to meal hosting; tickets, entrance fee, golf game and accommodation for and by business partners, authorities and government officials.

Please note that the Employee Handbook also sets out the claims for certain types of expenses incurred in the normal course of work. All other claims for entertainment and hospitality (e.g. expenses incurred in the course of business development) shall be made in accordance with this ABG.

2 When would this Happen?

The occasions (hereinafter referred to as the “prescribed occasions”) where offering and receiving hospitality and entertainment may happen are:

- i. Corporate or industry related sporting events, “Open Day” and launching;
- ii. Appreciation luncheon or dinner;
- iii. Business and professional training, seminars and conferences organised by trade, professional and government bodies and authorities;
- iv. Official welcome reception and farewell celebration in collaboration with or by associations, clubs, charitable organisations or professional and government bodies; and
- v. Charitable events and functions.

3 Farlim’s Policy

The Group will not extend any of the hospitality and entertainment described to family members of business associates and third-party stakeholders who are not involved in the business dealings with the Group.

Offering of hospitality and entertainment shall be limited to the prescribed occasions only and the following prescribed limits:

- i. RM500 per person for directors;
- ii. RM250 per person for management and employees.

HOSPITALITY & ENTERTAINMENT



On the other hand, no directors, management or employee shall receive hospitality and entertainment individually except for attending the official functions or events for the prescribed occasions.

3

Farlim's Policy
Cont'd

Immediate family members of directors, management and employees are prohibited to receive or offer hospitality or entertainment from and to all business associates or employees of the business associates or family members of the business associates and their employees.

4

Response to
Hospitality &
Entertainment Offer

Directors, management and employees and their immediate family members shall explain to the offeror or host about the Group's hospitality and entertainment policy and seek their understanding and respect of this policy politely.

5

Exceptions

When directors, management and employees offer hospitality and entertainment more than the prescribed limits or in the non-prescribed occasions, pre-approval should be obtained with reasons and justifications documented in the 'Hospitality and Entertainment Approval Form' from a Director or other Executive Director or the Chairman and Chief Executive, if he/she is the offeror.

REFERRAL



1 Types

A referral payment is a fee or commission or some non-monetary benefit offered to another party.

2 When would this Happen?

Usually, a referral payment is made as a gesture of gratitude to another party for referring projects, business opportunities, customer and employee.

3 Farlim's Policy

- i. Referral payments shall be approved by an Executive Director and shall not exceed 3% of the value of the underlying agreement or arrangement. If approved, an agreement must be prepared which clearly discloses the basis and amount of the referral payment.
- ii. However, the Group has a “zero referral payment” policy for all government officials and individuals representing any regulatory authorities.
- iii. On the other hand, payments for customer and employee referral shall not be more favorable than the market and industry practices.
- iv. None of the directors, management and employees or their immediate family members shall solicit or receive any referral fee, commission or benefit from our business associates in their personal capacity in order to avoid any potential and perceived conflict of interest.

4 Response to Referral Payment Request

When you are being approached for a referral payment which is not consistent with the policy, you shall explain to the person making the request about the Group's referral payment policy and seek their understanding and respect of this policy politely.

FACILITATION



1

When would this Happen?

Facilitation involves actions or process to be made expeditiously to benefit the Group such as speeding up approval and application processes.

2

Farlim's Policy

- i. At Farlim, we follow strict compliance to all internal and external procedural requirements. Hence, we would not subscribe to nor seek facilitation to breach any procedural requirements in order to expedite application and approval processes for our business dealings and transactions.
- ii. The Group does not tolerate its directors, management and employees offering monetary and non-monetary payments and benefits for facilitation nor involving in and accepting appreciation for facilitation from any business associates or agents.

When you are forced to make facilitation payments on behalf of the Group, you must explain to the person making the request about the Group's facilitation policy and seek their understanding and respect of this policy politely.

3

Response to Violation

However, if you have to make payments to a third party under force, duress and/or threats, you (whether as an employee or agent of the Group) must subsequently make an immediate report to the Executive Directors of the Group.

On the other hand, when a business associate of the Group is being approached by any of the Group's directors, management and employees for facilitation payment or benefit, the Group expects the business associate to report the incident to farlim@whistleblowing.com.my or post to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur immediately.

SPONSORSHIP



1 Types

Sponsorship is an arrangement to support events or activities by contributing money or benefit in kind as part of the Group's corporate social responsibility ("CSR") such as T-shirt with company's logo; prizes; gift during sporting events, construction of road, meals for underprivileged communities.

2 When would this Happen?

Commonly, the circumstances where sponsorship can happen in the Group are:

- i. Corporate, industry, associations and charities related events;
- ii. Road Infrastructure, amenities and facilities; and
- iii. Community dinner with government officials, Members of Parliament and Ahli Dewan Negeri.

3 Farlim's Policy

i. The Group will offer but will not seek sponsorship. Sponsorships will not be offered during sensitive period e.g. the Group will not sponsor government departments managing a tender process that the Group is participating in immediately before and throughout the entire tender period.

ii. Request for sponsorship can only be initiated by Head of Departments. Such request must be documented in the "Sponsorship and Donation Requisition Form" and to be approved by an Executive Director or the Chairman and Chief Executive.

iii. All sponsorships shall be recorded and documented. Management should also request for a formal documentation or receipt to certify or endorse the sponsorship provided by the Group. This is to promote transparency and to safeguard the reputation of the Group from any allegations of bribery.

iv. No directors, management and employees or their immediate family members shall seek sponsorships from any of the Group's business associates except for purely

SPONSORSHIP



3 Farlim's Policy
Cont'd

charitable causes. In any case, the sponsorship obtained shall be reported to the Risk Management Committee.

4 Response to
Violation

When a business associate is being approached by any of the Group's directors, management and employees for sponsorship other than purely for charitable causes, the business associate should report the incident to farlim@whistleblowing.com.my or post to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur immediately.

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DONATION



1 Types

Donations are contribution in the form of monetary benefits or equivalent, equipment, or other benefits to a fund or charity causes as part of the Group's CSR.

2 When Would this Happen?

Donations are usually made for the following parties and events:

- i. Charitable organisations;
- ii. Schools;
- iii. Associations;
- iv. Religious activities and events;
- v. Government; and
- vi. Non-Governmental Organisation.

3 Farlim's Policy

i. The Group will not request for donation nor make donations to any organisations other than those listed in the above. Donations will not be made during sensitive period e.g. the Group will not sponsor government departments managing a tender process that the Group is participating in immediately before and throughout the entire tender period.

ii. Similar with sponsorship, donation request can only be initiated by Head of Departments. Such request must be documented in the "Sponsorship and Donation Requisition Form" and to be approved by an Executive Director or the Chairman and Chief Executive.

iii. All donations shall be recorded and documented. Management should also request for a formal documentation or receipt to certify or endorse the donation provided by the Group.

iv. No directors, management and employees or immediate family members shall seek donations from any of the Group's business associates or stakeholders except purely for charitable causes.

DONATION



4

Response
Violation to

When business associate is being approached by any of the Group's directors, management and employees for donation other than for purely charitable causes, the business associate should report the incident to farlim@whistleblowing.com.my or post to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur immediately.
