

# KEY ALLIANCE GROUP BERHAD

## ANTI-BRIBERY AND CORRUPTION POLICY

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#### POLICY STATEMENT

Key Alliance Group Berhad (hereinafter referred to as KAGB or the Group) is committed to applying the highest standards of ethical conduct, integrity and accountability in all our business activities and operations. This Policy applies to all of the Group's business dealings and operations.

KAGB has a zero tolerance policy towards any form of bribery and corruption by, or of, its employees or any persons or companies acting for or on behalf of the Group. Therefore, it is important that the Group comply with and conduct our business in accordance to the laws of the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009.

#### REFERENCE

This Policy should be read in conjunction with the Company's internal policies as follows;

- Anti-Bribery and Corruption Code of Conduct
- Employee Handbook
- Whistleblowing Policy

#### PURPOSE

The purpose of Anti-Bribery and Corruption Policy ("ABC Policy" and / or "this Policy") is to:

- Set out the Group's responsibilities, and the responsibilities of those working for or with the Group in observing and upholding the Group's position, on bribery and corruption;
- Ensure that the Group has adequate procedures in place to prevent and detect bribery and corruption;
- Provide information and guidance to those working for or with the Group on how to recognize and deal with potential bribery and corruption issues; and
- Protect the Group against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

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### APPLICATION

This Policy is applicable to anyone who is employed by or work at KAGB (whether permanent, fixed-term or temporary basis), directors (executive and non-executive), company secretaries and committee members of KAGB (together, “**Personnel**”). It is also applicable to contractors, consultants, agents, and service providers of any kind performing work or services, for or on behalf of KAGB (together, “**Business Partners / Associates**”).

If a law conflicts with a policy as set out in this ABC Policy, the Personnel should comply with the law. If the Personnel perceives that a provision in this ABC Policy conflicts with the law in his/ her jurisdiction, the Personnel should consult with the Head of Finance and Administration rather than disregard the ABC Policy without consultation.

### DEFINITIONS

Abbreviation	Description
<b>KAGB / the Group</b>	Key Alliance Group Berhad
<b>ABC Policy</b>	Anti-Bribery and Corruption Policy
<b>Management Board</b>	Members of the Board, Personnel in supervisory roles
<b>Business Partners / Associates</b>	Contractors, subcontractors, suppliers, consultants, agents, and service providers of any kind, performing work or services, engaged by or on behalf of KAGB
<b>Entertainment and Hospitality</b>	Comprises of expenses incurred for provision of food, drink, travel, accommodation or recreation of any kind, by a party
<b>Gift</b>	Comprises of cash money, free fares, shares, lottery tickets, club membership, any form of commission, hampers, jewellery, decorative items and any items that is given by a party to another party
<b>Personnel</b>	Anyone who is employed by or work at KAGB (whether permanent, fixed-term or temporary basis), company secretaries and committee members of KAGB
<b>Public Official</b>	<ul style="list-style-type: none"> <li>▪ Any person holding a legislative, administrative or judicial office of a country;</li> <li>▪ Government, state, province or municipality, whether appointed or elected;</li> <li>▪ Any person exercising a public function for a country, government, state, province or municipality, including for a government agency, board, commission, corporation or other body or authority;</li> <li>▪ Any official or agent of a public international organization; or</li> <li>▪ Any political party or official of a political party or a candidate for public office.</li> </ul>

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### RESPONSIBILITY

#### 1. Managements' Responsibilities

- Uphold the highest ethical standards of business conduct.
- Encourage ethical decision-making and rewarding integrity.
- Be a role model and lead by example.
- Ensure that all Personnel are given the opportunity and guidance to understand the ABC Policy and other applicable policies.
- Create a positive and transparent environment where Personnel are comfortable raising questions and concerns.
- Ensure those who raise genuine concerns do not suffer retaliation.

#### 2. Employees' Responsibilities

- Familiarise and comply with the Group's ABC Policy and other applicable policies.
- Annual acknowledgement of ABC compliance and attend regular ABC training.
- Assist Business Partners / Associates to understand the practicality of the Group's ABC Policy.
- Raise questions and voice concerns in cases when there is a suspected violation of laws or internal policies.
- Pressure or demands due to business conditions are never an excuse for operating outside the law or behaving inconsistent to the Group's policies and values.

#### 3. Responsibilities of Business Partners / Associates

Business Partners / Associates can have a direct impact on the Group's business through their behaviour and actions. As such, the Group would like to work with Business Partners / Associates who share the same ethical values and commitments.

Business Partners / Associates who work for and on behalf of KAGB are expected to act in the way that is consistent with KAGB's ABC Policy. The Group will assess the suitability of its Business Partners / Associates through background checks, assessing their financial stability and risk profiling prior to appointment.

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### **WHAT IS BRIBERY?**

Bribery is the most common form of corruption and can be broadly defined as the offering, promising, giving, accepting or soliciting of an advantage as an inducement or reward for an action which is illegal or a breach of trust.

Although many people think of bribery as giving someone cash, it can take many other forms including non-cash gifts, lavish entertainment or hospitality or other reward or benefit.

Bribery takes place if someone is given a gift, donation, loan, cash or non-cash incentive, benefit, or is taken out for particularly lavish hospitality and that in doing so the giver of such items has done so with the intention of inducing or rewarding someone to behave improperly or not to perform their function correctly or in good faith.

It is important to remember that, in most cases, it will be irrelevant whether the bribe was accepted or not; merely offering the bribe will usually be sufficient for an offence to be committed.

Bribery can be direct (e.g. you give a bribe to someone) or indirect (e.g. you get someone else to give a bribe to another person).

### **FACILITATION PAYMENTS AND KICKBACKS**

Facilitation payments are form of payments made personally to an individual in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function (e.g. influencing the timing of process or issuing of permits). In Malaysia, facilitation payment is illegal. It is seen as a form of corruption. Regardless of whether it is legal in any other country, facilitation payment is strictly prohibited under this Policy.

Our Personnel and Business Partners / Associates must not directly or indirectly offer, promise or give any form of facilitation payment to any Public Officials for any purposes. However, there are certain exceptional situations or circumstances where you are faced with having to make facilitation payments, in order to protect your life, limb or liberty. In a dangerous situation like this, you are allowed to make payment, but you must immediately report to your Head of Department / Division or Human Resource Department. Making facilitation in such a situation is the only exception which can be used as a defense when faced with allegations of bribery and corruption.

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### CORRUPTION RISK ASSESSMENT

The Board of Directors believe that the Group's risk assessment must be effective and embedded at all levels of the organisation to intermittently assess corruption risks when necessary — i.e. an annual risk assessment on corruption risk, and other reasonable cause for suspicion, i.e. upon:

- Opportunity corruption and fraud activities arising from weaknesses in the organisation's governance framework;
- Suspicious financial transactions indicating disguised corrupt payments;
- Presence of business activities in countries / sectors with high corruption risk;
- Significant change in the business landscape; and
- Potential non-compliance of Business Partners / Associates acting on behalf of KAGB with regards to legal and regulatory requirements related to anti-corruption.

The risk assessment must identify internal and external sources of information which will assist in categorising the bribery and corruption risks to the Group.

### CONFLICT OF INTEREST

Conflicts of interest arise where there is personal interest that can be considered to have potential interference with objectivity in performing duties or exercising judgement for or on behalf of the Group. Our Personnel must avoid situations in which their personal interest would conflict with their duties and responsibilities. Our Personnel must not use their position, official working hours, KAGB's resources and assets, or information available to them for personal gain or to KAGB's disadvantage.

Any actual or potential conflicts of interest are to be fully disclosed to appropriate Management and / or Board of Directors and where such circumstances are permitted by Management and / or the Board of Directors to continue, shall not be deemed as breach of this Policy.

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### GIFTS, ENTERTAINMENT AND HOSPITALITY

#### **“No Gift” Policy**

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

The Group 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 between KAGB and external parties as a gift can be seen as a bribe that may tarnish KAGB’s reputation or be in violation of anti-bribery and corruption laws.

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

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

- corporate gifts of nominal / appropriate value;
- festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions; and
- gifts given during invitation to speak at conferences or work-related conferences.

The intention behind the gift should always be considered and nothing should be specifically expected or demanded in return. All gifts shall be recorded and declared for approval before they are provided to external parties.

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### **Entertainment and Hospitality**

Entertainment and hospitality is generally defined as “events or activities (i.e. provision of food, drink, traveling, accommodation or recreation in any kind) organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”.

KAGB recognizes that to refuse entertainment and hospitality can cause offence, which is not the intention of this Policy, and that in the ordinary course of business; hospitality is extended and accepted without amounting to a bribe.

The acceptance of corporate entertainment and hospitality (other than refreshments offered in the meetings held at business premises) requires prior approval from the respective Head of Departments. The Personnel should only accept corporate hospitality if it is ethically, morally, socially and politically ‘correct’. All entertainment and hospitality shall be recorded and declared for approval before they are provided to external parties

If hospitality has as its intent or purpose an attempt to secure a business advantage or influence a decision (e.g. by creating a sense of obligation) then it must be declined.

### **CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS**

Corporate social responsibilities, sponsorships and / or donations must not be a disguise of bribery or conduit to fund illegal activities, which are in violation to the Group’s policies and procedures, and the applicable laws and regulations.

Good judgement has to be exercised in assessing the request of sponsorships or donations. KAGB must be certain of the intent and purpose of any donations or sponsorships given.

Any charitable contribution, sponsorships and corporate social responsibility activities should be reviewed by the respective Head of Department and approved by the Management.

Such activities, if incurred, must be accurately stated and documented in KAGB’s accounting books and records. When in doubt, KAGB’s Personnel should seek further advice from the Head of Finance and Administration.

The Group will conduct a due diligence exercise to ensure that the recipient of any charitable contribution or sponsorship is a legitimate and, in the case of a charity (if required under local laws) registered charity. The recipient will be required to provide a receipt for the contribution, and confirmation of what the funds will be used for.

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### **POLITICAL DONATIONS**

The Group does not make charitable donation or sponsorship to any political association or parties. In undertaking any such unauthorised activity, all Personnel will be deemed to be acting in their personal capacity or that of their own corporate organization and not on behalf of the Group.

### **DUE DILIGENCE**

#### **Due Diligence for Business Partners / Associates**

KAGB's Personnel is to carry out proper due diligence process and comply with all applicable standard operating procedures before on-boarding any Business Partners / Associates. This include informing them of the Group's Anti-Bribery and Corruption Policy and with effect from the date of this policy. Results of the due diligence process must be documented and submitted for approval prior to being approved as KAGB's service provider.

#### **Internal Due Diligence for Recruitment**

The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.

#### **Financial and Non-Financial Controls**

KAGB adopts clear separation of duties for all jobs functions (i.e. financial and non-financial related) within the Group. Designated Personnel for preparing, verifying and approving each transaction / activity was documented in written procedures (i.e. Accounting Policies and Procedures and Approved Authority Limit) and communicated to all of KAGB's Personnel for adherence.

For non-financial related activities, there must be at least two-layers of checking i.e. maker and checker. Nonetheless, in most circumstances, the non-financial related functions will have three layers of checking.

For financial related activities, KAGB had since adopted three layers of checking which comprises of the maker, checker and approver. For disbursements and payments, KAGB strictly adopts multiple signatories to further mitigate any corruption risk.



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### RECORD-KEEPING AND DOCUMENTATIONS

It is the Group's goal to maintain accurate and precise records in order to be transparent. At KAGB, we ensure that we will not: -

- Falsify, omit, misstate, alter or conceal any information or otherwise misrepresent the facts on a company record;
- Encourage or allow anyone else to compromise the accuracy and integrity of our records;
- Intentionally make a false or misleading entry in a record, report, file or claim; and
- Engage in any scheme to defraud anyone.

All our financial books and records must accurately reflect and disclose the business rationale, purpose, substance and legality of all our local and cross-border transactions, are to conform both of applicable financial accounting standards and / or legal requirements and to the Group's system of internal control for at least seven (7) years from its date of generation.

### RAISING A CONCERN

In cases where a Personnel suspect, or reasonably believe that this Policy has been, or is being breached, he / she has an obligation to report his / her concerns through the designated reporting channels set out in the Group's Whistleblowing Policy.

All concerns reported will be taken seriously, treated in confidential manner and investigated immediately.

The whistleblower's anonymity will be protected unless the disclosure is required by law pursuant to an investigation or legislation. Any retaliation directed against anyone making such report will not be tolerated.

All reports shall be made in good faith and the report must be legitimate. Anyone who makes any malicious, scandalous or vexatious report, and particularly if they persist with such untrue allegations, they will be subjected to the Group's disciplinary actions.

### TRAINING AND COMMUNICATION

This Policy is a public document which will be communicated to all our Personnel and Business Partners / Associates. Our Personnel and Business Partners / Associates is to read and understand KAGB's position on anti-bribery and anti-corruption.

Training on this Policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this Policy.

The Group acts with due care before engaging with new business associates and ensure that they acknowledge KAGB's commitment on prohibiting bribery / corruption activities within the Group.

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### **MONITORING AND REVIEW**

KAGB is committed to make the anti-bribery and anti-corruption effort as a continuous effort to maintain the reputation and standards of the Group.

Regular audits shall be conducted to monitor, review, improve and assess performance, efficiency and effectiveness of ongoing anti-bribery and anti-corruption efforts by the Group. Such audits may be conducted internally by the Group or by an external consultant. The results of any audit, risk assessment, review of control measures and performance shall be reported to the Audit Committee and acted upon accordingly.

All Personnel are responsible for the success of this Policy and should ensure they use it to disclose any suspected misconduct.

Our Personnel is encouraged to raise any concerns or inadequacies in the anti bribery and anti corruption programme to the Head of Finance and Administration.

This Policy will be reviewed periodically and may be amended at any time. All Personnel will be fully informed of any material revisions to this Policy.

### **ENFORCEMENT FOR NON-COMPLIANCE**

Non-compliance and violation of this ABC Policy may be subjected to disciplinary actions (e.g. reprimands, demotions, formal warnings, dismissal or termination of employment contract) and/ or any legal proceedings.

KAGB will have the right to exercise an audit or inspection on Business Partners / Associates who are alleged or reported to be in non-compliance with the Group's ABC Policy. In cases where any of the Group's Business Partners / Associates dealing with KAGB are found to have breached any ABC laws or regulations or the Group's ABC Policy, such breach may result in termination of contract(s) and if required, subject to legal proceedings.