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KIA LIM BERHAD

Company No.: 199501013667 (342868-P)

**ANTI-BRIBERY
&
ANTI-CORRUPTION
POLICY**

INTRODUCTION

Kia Lim Berhad and its subsidiaries (“Kia Lim”) are committed to the highest standards of integrity, trustworthiness and accountability. Kia Lim adopts a **ZERO TOLERANCE** policy against all forms of bribery and corruption in its actions and decisions, both internally and externally.

In line with Kia Lim’s core value on “Integrity”, the Anti-Bribery and Anti-Corruption Policy (“the Policy”) has been established to promote the growth of Kia Lim’s business activities to be free from bribery and corrupt practices.

OBJECTIVE

Kia Lim recognizes the importance of ethical values to achieve sustainable growth in both short and long term as well as supports a culture of integrity in pursuit of excellence.

Therefore, establishing appropriate policies and procedures to meet existing requirements and guideline shall further prevent the occurrence of bribery and corrupt practices and enhance Kia Lim’s position in maintaining global trust and respect.

This Policy is intended to provide guidance for Kia Lim’s personnel and business associates and assist them to identify and deal with bribery and corruption issue, as well as understanding their roles and responsibilities.

This Policy should be read together with our other policies and procedures, such as Directors’ Code of Conduct and Ethics, Employees’ Code of Conduct and Ethics and our Whistle-blower Policy, copies of which can be obtained from our website at www.kialim.com.my.

APPLICATION

This Policy applies to every director and employee of Kia Lim. Although the Policy is specifically written for Kia Lim’s directors and employees, Kia Lim expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of Kia Lim will comply with it in relevant part when performing such work or services.

REQUIREMENTS AND GUIDELINES

In compliance with new corporate liability provision, i.e. Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“**MACC Amendment Act**”) which provides that a commercial organisation is deemed to commit an offence if any person associated with the commercial organisation corruptly gives, agrees to give, promises or offers to any person any gratification to obtain or retain business or advantage for the organisation.

Under this new amendment, Subsection 17A(6) of the MACC Amended Act stipulates that a ‘*person associated*’ with a ‘*commercial organisation*’ may include directors, partners, and employees of the commercial organisation, as well as any person ‘*who performs services for or on behalf of the commercial organisation*’.

Thus, a commercial organisation will not only be liable for bribery by its shareholders, boards of directors, partners, or management, but also its employees regardless of their position or function, as the question ‘*person associated*’ with a commercial organisation is determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between the

person and the organisation. A commercial organisation could also be liable for bribery by its agents or distributors and potentially, joint venture partners.

PENALTY: A commercial organisation who commits an offence under Section 17A of the MACC Amendment Act shall, upon conviction, be liable to:

- a fine **not less than 10 times of the value of the bribe**, or **RM1 million**, whichever is higher, or
- an **imprisonment for a term not exceeding 20 years**, or
- a **combination of both**.

Kia Lim is committed to preventing bribery and corruption by adopting the principles of **T.R.U.S.T** as prescribed in “Guidelines on Adequate Procedures” issued by the Prime Minister’s Department pursuant to Section 17A(5) of the MACC Amended Act.

1. ***T*op Level Commitment**

The Board and senior management of Kia Lim practice highest level of integrity and ethics and are responsible for ensuring full compliance and effective implementation of the anti- bribery and anti-corruption programmes in managing key corruption risks.

2. ***R*isk Assessment**

Corruption risk assessment is conducted periodically to identify, analyse, assess and prioritise internal and external corruption risks. The findings of these assessments are documented and regularly reviewed.

3. ***U*ndertake Control Measures**

Appropriate controls and contingency measures are put in Kia Lim’s governance framework, processes and practices to address corruption risks that may arise.

a) ***D*ue Diligence**

Due diligence should be carried out with regards to any business associates intending to act on Kia Lim’s behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with Kia Lim.

The extent of the due diligence should be based on a bribery and corruption risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, self-declaration, and documenting the reasons for choosing one particular business associate over another. The results of the due diligence process must be documented, retained for at least seven years and produced on request by the custodian of the process.

Kia Lim shall include standard clauses in all contracts with business associates enabling Kia Lim to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for business associates acting on Kia Lim’s behalf where bribery risk has been identified.

b) Conflict of Interest

Conflict of interest may arise in situations where personnel engage in business or other activities outside Kia Lim or have personal interests, whether it benefits themselves or their closely related person(s), i.e. relatives or close associates, which competes or conflicts with the interests of Kia Lim.

Kia Lim's personnel must obtain written approval of their respective head of department before undertaking activities which may give rise to conflict of interest.

All Personnel shall declare their conflict of interest, both on a scheduled basis, and ad hoc as soon as they arise.

When in doubt, Personnel are to consult the Chief Compliance Officer ("CCO").

c) Gifts, Entertainment and Hospitality

This Policy does not prohibit normal and appropriate gifts, entertainment and hospitality, both received and given, from and to third parties. Routine and inexpensive activities such as business breakfasts/lunches and small items of promotional material such as Kia Lim branded marketing items remain appropriate to what we do. However, any other type of gifts, hospitality or entertainment is subject to the following rules:

- i) they are appropriate to the circumstances and there is no risk that they could be perceived as improperly influencing the recipient
- ii) they are for the purpose of establishing or maintaining good and ethical business relationships
- iii) they improve the image or reputation of Kia Lim Group and is arranged in good faith
- iv) any gifts hospitality or entertainment is not offered promised or accepted to secure an advantage for the Company or any of its employees, or to influence the impartiality of the recipient

Kia Lim has procedures for accepting or providing gifts, hospitality or entertainment. In general this should be with the full and open knowledge of your manager and, where possible, in advance. The expenses system should be used to record any such spending or arrangements. If you answer yes to any of the following questions about any exchanges, you must discuss the issue with your head of department:

- i) Is it intended to influence a third party, gain or retain advantage
- ii) Is the gift/hospitality in your individual name rather than Kia Lim's name
- iii) Is any part of it cash or cash equivalent
- iv) Is any part of the transaction secretive
- v) Is it in breach of any local law

Report to your head of department any suspected or actual bribery, or any concerns that other employees or associated persons may be linked with bribery. Kia Lim will investigate any allegations or suspected bribery, this includes use of the disciplinary processes and referral of information/investigations to relevant enforcing authorities.

d) Facilitation Payments

Kia Lim **DOES NOT** and **WILL NOT** accept the use of facilitation payments in its business. Facilitation payment is an unofficial payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function.

Personnel shall decline to make the payment and report to compliance officer immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been made and personnel are unsure of the nature, the compliance officer must be notified immediately, and the payment shall be recorded accordingly. Personnel must not promise or offer, or agree to give or offer facilitation payments to any other party.

e) Political Donations

Generally, Kia Lim **DOES NOT** make or offer monetary or in-kind political contributions to any political party, political party official or candidate running for political office.

Kia Lim may **ONLY** make political contributions where such contributions are permitted under applicable law(s). Any political contribution by Kia Lim **SHALL NOT** be made with an intention to obtain or retain business or an advantage for the benefit of Kia Lim.

f) Donations and Sponsorships

Kia Lim allows charitable donations and sponsorships for legitimate reasons and as permitted by existing laws and regulations. However, Kia Lim **STRICTLY PROHIBITS** the giving and receiving of donations and sponsorships to influence business decisions.

g) Recruitment, Promotion and Support of Personnel

Kia Lim recognizes the value of integrity in its Personnel and Business Associates. Kia Lim's recruitment, training, performance evaluation, remuneration, recognition and promotion for all Kia Lim's Personnel, including management, shall be designed and regularly updated to recognize integrity.

The recruitment of Personnel 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 Personnel. In line with this, proper background checks should be conducted in order to ensure that the potential Personnel has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring Personnel that would be responsible in management positions, as they would be tasked with decision making obligations.

h) Record Keeping

Kia Lim will keep detailed and accurate financial records, and will have appropriate internal controls in place which will evidence the business reasons for making payments to, and receiving payments from, any person.

Employees must ensure that all expense claims relating to hospitality, gifts or expenses incurred to Associates and/or any person are submitted in accordance with the Company's applicable policy and specifically record the reason for such expenditure. Employees shall

further ensure that all expense claims shall comply with the terms and conditions of this policy.

All accounts, invoices, contracts and other documents and records relating to dealings with Associates and/or any person shall be prepared and maintained with strict accuracy and completeness.

4. Systematic Review, Monitoring and Enforcement

Regular reviews are conducted to assess the effectiveness of Kia Lim's anti-bribery and anti-corruption programmes to ensure that it is operating as intended.

Kia Lim recognize that managing an anti-bribery and anti-corruption programme is a continuous process and a systematic review and monitoring process is necessary to ensure its objectives are being met. For that reason, the Integrity Compliance Committee ("ICC") has been formed to monitor the effectiveness and review the implementation of this policy in coordination with Heads of Department regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

The reviews may take the form of internal audits carried out by the Internal Control Department ("ICD") or independent audits carried out by an external party, where necessary. A review of the anti-bribery and anti-corruption programme shall be included in ICD's Audit Plan on a yearly basis. The scope of the review should include evaluations of the design, effectiveness and compliance and provide recommendations for improvements, where required to ensure that the programme and policy remain relevant and adequate.

CCO will report to the Board at least annually on the application of this policy.

5. Training and Communication

All directors, officers, employees and business associates of Kia Lim will be provided with regular anti-bribery and anti-corruption compliance training programmes to educate them about the requirements and obligations of anti-bribery and anti-corruption laws and this Policy.

Kia Lim's anti-bribery and anti-corruption policy and zero tolerance attitude will be clearly communicated to all suppliers, contractors, business partners, and any third-parties at the outside of business relations, and as appropriate thereafter.

Records pertaining to training, education and communication programmes of Kia Lim's Employees and associates are kept and maintained by the Human Resource Department for reference.

Kia Lim expects all Kia Lim's directors, officers, employees and business associates (including but not limited to agents, representatives, suppliers, vendors and service providers) to comply with all the above principles in the performance of their services for and on behalf of Kia Lim.

REPONSIBILITIES AND REPORTING CHANNEL

Employees of Kia Lim must read, understand and comply with this Policy. Employees follow procedures (including HR, procurement, and financial procedures) to minimise the risk of actual or perceived bribery or corruption by employees or third parties.

Kia Lim's employees will notify their manager of any concerns regarding compliance with this Policy. Those persons will be investigated in a manner that reflects Kia Lim's zero tolerance position to bribery and corruption. No persons raising such concerns will be subject to unfavourable treatment or disciplinary action.

The prevention, detection and reporting of bribery or corruption is the responsibility of all persons within or associated with Kia Lim. Any concerns, questions or reports should be addressed to firstly, Head of Department or the CCO, or where that is not possible, can be made confidentially to the following persons:

Name	: Mr Loh Chee Kan
Email	: sined@kialim.com.my
Mailing Address	: Mark “Strictly Confidential” Kia Lim Berhad Wisma Ng Hoo Tee No. 79, Jalan Muar 83500 Parit Sulong Batu Pahat, Johor Malaysia Attention : Chairman
Lodge Online Report	: http://portaladuan.sprm.gov.my/
MACC Mobile	: Download MACC Mobile apps at: <ul style="list-style-type: none">• App Store• Google Play
MACC Hotline	: 1-800-88-6000
Walk In	: Walk-in to any MACC office.
Email	: info@sprm.gov.my
SMS	: +6019-6000 696
Fax	: +603-8870 0934
Mailing Address	: MACC Headquarters No.2 Lebuw Wawasan Presint 7, 62250 Putrajaya.

Appropriate disciplinary action will be taken against the person who does not act according to the policy.

REVIEW OF THE POLICY

The Policy has been adopted by the Board on 26 May 2020. The Board of Kia Lim will monitor compliance with the Policy and review the Policy at least once every 3 years to ensure that it effective in accordance with any new regulations on the disclosure obligations and practices.

In the best practice of corporate governance, this Policy will be made available on the Company's website at www.kialim.com.my.