

**HeveaBoard**

**HeveaBoard Berhad**

Registration No. 199301020774 (275512-A)

**(Incorporated in Malaysia)**

**ANTI-BRIBERY & CORRUPTION POLICY PURSUANT TO THE MALAYSIAN  
ANTI-CORRUPTION COMMISSION (AMENDMENT) ACT 2018**

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ANTI-BRIBERY & CORRUPTION POLICY

### **INTRODUCTION**

The Anti-Bribery and Corruption Policy (“Policy”) of HeveaBoard Berhad (“HeveaBoard” or “Company”) and its subsidiaries (“Group”) is drafted in accordance to sub section (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Anti-Bribery and Corruption Policy based on the Guidelines on Adequate Procedures issued by the National Centre For Governance, Integrity and Anti-Corruption (GIACC).

HeveaBoard is committed in ensuring that the Group meets its legal obligations and prevents, detects, minimises and eliminates all form of corrupt practices. The Policy encompasses an ethical framework that serves as a guide to the actions and behavior of all Directors, employees of the Group and business associates which include but are not limited to current or prospective customers, joint venture or business partners, contractors, vendors, suppliers, distributors, outsourcing providers, consultants, agents, investors, advisers, associates, representatives or any other business partners (“Business Associate”) in the ordinary course of its business activities. It is reflective of the ever increasing need for effective corporate governance compliance measures in the conduct of the Group’s businesses. The Policy focuses on discipline, good conduct, professionalism, loyalty and integrity, and cohesiveness, which are seen to be critical success indicators of the Group. The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit.

This Policy is supplemental to and shall be read together with HeveaBoard’s internal policies and procedures, Whistleblowing Policy and Code of Ethics and Conduct.

### **OBJECTIVE**

Serves to ensure all Directors, employees of the Group and Business Associate are guided on standards of behaviour to be in compliance with all applicable laws, rules and regulations in discharging their duties. The policy is non- exhaustive and is subject to review to further include additional obligations that the Directors, employees of the Group and Business Associate are expected to adhere to in the performance of their duties.

### **SCOPE**

Applicable to all Directors (Executive and Non-Executive) of the Group, employees (including full-time, probationary, contract and temporary staff) of the Group and Business Associate. Each employee of the Group has a duty to read and understand the policy. Violation of any of the policy’s provisions may result in disciplinary action, including termination of employment.

### **DEFINITION OF BRIBERY, CORRUPTION AND GRATIFICATION**

#### **Bribery**

For the purpose of this Policy, bribery includes, but is not limited to, the promising or granting or the requesting or receiving of benefits in money or money’s worth to a person with the aim of influencing that person in order to obtain business or reward improperly or to gain any improper commercial, contractual, regulatory or personal advantage. It is the offer, promise, giving, soliciting, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. The most obvious form of inducement is the giving / offer of money, gifts, loans, fees, rewards, goods or an advantage, but it can include the promise of favours in the future.

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### **Corruption**

Corruption is the abuse of entrusted power for personal gain. Conflict of interest may arise in situations where personal interest either interfere, has the potential to interference, or is perceived to interfere with :-

- a) objectivity in performing professional obligations and duties.
- b) exercising of judgement in the discharge of duties and responsibilities as well as in decision making.

The individual's official position, company's working hours, resources and assets or information accessible to him or her may be misused for personal interest or to the company's disadvantage.

### **Gratification**

*Definition under section 3 of Malaysian Anti-Corruption Commission Act 2009*

- 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).

### **Application**

This Policy is not set out to prohibit common practices which are proportionate, properly recorded, and lawful in the jurisdiction they are carried out. Practices that are aimed at establishing/strengthening relationships with suppliers and customers while promoting the Group's products and/or services, must be carried out in moderation, be transparent without expecting the recipient to reciprocate either by performing, or failing to perform, any other task in return.

## **COMMON FORMS OF BRIBERY & CORRUPTION**

### **Gifts**

#### **Policy on Accepting Gifts by Third Parties or Giving Gifts to Third Parties**

The Group's policy on accepting gifts by third parties or giving gifts to third parties does not prohibit normal and transparent gifts that are deemed appropriate in nature, moderate in value, occasional and bona fide corporate hospitality, in the course of ordinary business, unless :-

- The exchange was made with the intention of receiving or performing personal favours or benefits;

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- Has the propensity to inappropriately influences business decision made by the recipient;
- Portrays or has the potential to create the appearance of impropriety; and
- Places the Group's Business Associate or regulatory body in an obligatory position whether present or future.

### **Acceptance or giving of the following are strictly and expressly prohibited by the Group:**

- Gifts of gratuities or other items requested by staff members or any third parties that would benefit them personally, regardless of its value;
- Gifts received or given during a tender process involving the giver or recipient;
- Gifts of cash or cash equivalent (such as gift cards or certificates, lavish or unreasonable gifts, hospitality loans, fees, rewards, commissions, coupons, discounts or any other related forms);
- Gifts prohibited by local law;
- Gifts that the recipient knows the giver is not permitted to give; and
- Gifts otherwise denied or previously denied by the Company.

The Group recommends that both, gifts received or presented used to benefit all employees ought to be recorded and be acknowledged by the giver in writing while setting out how that gift was distributed or utilised.

The staff of the Group are expected to exercise sound judgement when accepting gifts and are required to obtain advice from their immediate superior, head of department or a member of the legal team (wherever applicable) if they are in any doubt.

## **Entertainment**

### **Policy on Invitation to Entertainment**

The Group is committed to undertake and perform business with integrity and transparency but also appreciates the occasional offer of gifts and/invitations for meals or social events while preventing suspicion of corruption or misuse of Group's assets.

To ensure that gifts/invitations are only accepted appropriately, the following guidance are always to be adhered to by the staff of the Group:

### **Invitations to Lunch, Dinner and/or Social Events offered by Third Parties**

- Must be reasonable, proportionate, and made in good faith to improve the image of a commercial organisation or establish cordial relations;
- The recipient should never create the appearance of receiving a bribe, a payoff, obtaining and retaining business, or securing a biased and unfair advantage;
- The giver should not be seen to be entitled to receive preferential treatment, obtain an improper or unfair advantage through the invitation; and
- Is reasonable and appropriate in the context of the business occasion.

### **Acceptance or giving of the following are strictly and expressly prohibited by the Group:**

- Any events that would undermine or damage the reputation of the Group, eg. adult entertainment, gambling, lewd behaviour;
- Invitations that the recipient knows he or she is unable to accept;
- Invitations otherwise denied or previously denied by the management of the Group; and
- Invitations made amidst a tender process involving the giver or recipient.

The staffs of the Group are expected to exercise sound judgement when accepting any offers to invitation that are above RM300 and are required to obtain advice from their head of department or a member of the legal team if they are in any doubt.

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### **Travel**

#### **Policy on Accepting Travel Offers by Third Parties**

Occasionally, the Group deems it appropriate for third parties to pay for travel-related expenses for its staff. However, the said offer of travel must be approved by the staff's head of department, who should take into serious consideration the following:

- The primary purpose of the travel must be business related
- Itinerary minimises side trips and avoids tourist destinations
- Travel offered for family members is not allowed

The staff of the Group are expected to exercise sound judgement when travel offers and are required to obtain advice from their head of department or a member of the legal team if they are in any doubt.

### **Facilitation Payments**

Facilitation payments refers to unofficial payments or other advantages made to secure or expedite performance of a routine action by an officer of a public body. Directors or employees shall not promise or offer facilitation payments to an officer of any public body. 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 where their security is at stake. Any request for facilitation payment must be reported immediately to the superior or Head of Division or management for further advice.

### **Donations & Sponsorships**

Donations and sponsorships may be given for legitimate or valid causes to support local community or welfare development and reciprocal business arrangements. However, it must be ensured that donations and sponsorships are not used as a scheme to conceal bribery or corruption practices or to influence business decisions.

The Directors must ensure the following :-

- Request for donation and sponsorship is to be supported by an official request in writing by the intended recipient;
- Background and reputation of the intended recipient is to be reviewed in writing before approval by immediate superior or management;
- Upon receipt of donation / sponsorship by the recipient, receipt of acknowledgement is to be obtained from the recipient.

### **Political Contributions**

Subject to prevailing laws governing political contributions, the Group may contribute to political parties or candidates, subject to the Management and Board of Directors' approval and maintenance of accurate records on contributions made.

### **BUSINESS ASSOCIATE**

- a. As part of the Group's commitment to combat bribery, the Group expects all Business Associate to refrain from bribery.
- b. If suspicion of bribery and corruption arises in the dealings with any Business Associate, the Group shall seek an alternative provider of the services / goods.
- c. The Group expects all Business Associate acting on behalf the Group to contractually agree to refrain from bribery and corruption, and to adhere to this Policy.

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- d. If the Group is not satisfied that bribery and corruption prevention has been upheld, due diligence shall be undertaken with regard to any Business Associate intending to act on the Group's behalf.
- e. The extent of the due diligence should be risk-based and shall include a bribery risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another.
- f. The Group shall endeavour to include clauses in all contracts enabling the Group to terminate any contract in which bribery or corruption has been observed.
- g. The Group strives to build and strengthen its relationships with Business Associate. In ensuring that the Business Associate adhere to industry best practice and accepted standards of behaviour, Business Associate may be required to complete the Business Partner Compliance Verification form, where deemed necessary based on circumstantial requirements.
- h. Guidance and standards for appropriate practices and behaviours are expected to also be regulated to prevent corrupt practices.

### **RESPONSIBILITIES OF EMPLOYEES**

Employees are responsible for understanding and complying with this Policy. In particular, the role of all employees includes the following:

- a. Be familiar with applicable requirements and directives of this Policy and communicate them to subordinates;
- b. Promptly record all transactions and payments accurately and in reasonable detail;
- c. Always raise suspicious transactions to immediate superiors for guidance on next course of action; and
- d. Promptly report violations or suspected violations through appropriate channels.

### **RECORD MANAGEMENT & CONTROL**

Accurate and complete invoices, documents, and records of all the Group's transactions with third parties including customers, suppliers, and business contacts are to be maintained to ensure they are bona fide and conform to generally accepted and applicable laws and regulations.

### **TRAINING AND COMMUNICATION**

This Policy is a public document which published in our website and shall be communicated to all our employees and Business Associate. Our employees and Business Associate are required to understand the Company position on anti-bribery and anti-corruption.

Adequate training on this Policy shall be provided to our employees, especially to new recruits. This Policy must be communicated to all the new Business Associate at the outset of our business relationship with them and as appropriate thereafter. Wherever possible, all the Business Associate should be sent a copy of this Policy at the outset of the business relationship or shall always refer to this Policy published on our Company's website.

### **AWARENESS & COMPLIANCE WITH LAWS & REGULATIONS**

The Group is committed to always comply with applicable laws, rules, and regulations of all relevant authorities in jurisdictions where it operates. Appropriate and reasonable measures shall be taken to ensure the Group complies with the Policy (including any amendment thereof).

### **ADMINISTRATION**

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### **Reporting of Violation of Policy**

An employee of the Group who encounters actual or suspected violation of the Policy is encouraged to :-

- obtain independent advice, if he or she is not certain of an appropriate legal or ethical course of action; and
- whistle blow or report any concerns through appropriate channels under the Group's Whistle Blowing Policy and Procedures.

No individual shall be discriminated against or subject to any form of reprisal for :-

- refusing to pay or receive bribes or participate in any form of unethical activities; and
- raising or reporting genuine suspicions, concerns or queries in good faith on actual or suspected violation of the Policy.

Should an investigation conclude that an improper conduct had been committed, the matter shall be handled in accordance with the Group's disciplinary procedures and applicable laws and regulations of the jurisdiction in which the Group is situated in. Improper conduct includes but limited to illegal act, malpractice, unethical conduct, and other forms of wrongful conduct, which if proven, constitutes a disciplinary or criminal offence.

### **Declarations**

All employees are required to sign a Staff Declaration Form on the Policy that they have read, understood and will abide by the Policy before returning the Form to Human Resource Department for safekeeping.

### **MONITORING & REVIEW OF POLICY**

The Group is aware that managing a framework that spells out its internal policy on anti-bribery and corruption is a continuous process that requires systematic reviews and monitoring to ensure its objectives are met. The Group and the Board shall jointly review and monitor compliance of the Policy regularly or when there are changes or amendments in the relevant legislation or business environment, which may impact the Group's businesses locally or overseas.

### **STAFF DECLARATION**

I, \_\_\_\_\_, hereby declare that I have read and understood HeveaBoard Berhad and its subsidiaries' ('Group') Anti-Bribery and Corruption Policy ('Policy') and the duties and responsibilities required of me in relation to the said Policy.

I will at all times abide by the requirements and provisions stipulated in the said Policy which shall be read together and form part of my employment contract with the Group.

I confirm that in the course of my employment with the Group, I will :-

- a) take a zero-tolerance approach to bribery and corruption practices and observe ethical standards in my company / employment business activities and agree that neither I / I nor any associated person will offer, promise, give, solicit, demand or accept any payments or gifts (as outlined in the Policy) to or from any person (directly or indirectly) for personal interest, favour, benefit or advantage or for the purpose of influencing a business decision;

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- b) not engage in any activity, practice, or conduct which shall constitute an offence under the Malaysian Anti-Corruption Commission Act 2009 ('Act') or equivalent laws;
  
- c) comply with all applicable laws, regulations, and sanctions relating to Anti-Bribery and Corruption including but not limited to the Act, the Malaysian Anti-Corruption Commission (Amendment) Act 2018, or any equivalent laws which my company / I am subject to; and comply with relevant policies and procedures designed to promote and achieve compliance with applicable Anti-Bribery and Corruption laws. I understand that if I am a party to any breach of the said Policy during the term of my employment, then it can be regarded as a major misconduct which may result in disciplinary action, up to and including dismissal against me.

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**Name** :  
**IC No.** :  
**Department** :  
**Designation** :  
**Date** :



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**BUSINESS PARTNER COMPLIANCE VERIFICATION FORM**

**PART 1 – COMPANY INFORMATION**

Company / Agent / Supplier / Vendor Name:

\_\_\_\_\_

Company / Agent Number: \_\_\_\_\_

Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

Fax Number: \_\_\_\_\_ Website: \_\_\_\_\_

**PART 2 – COMPLIANCE VERIFICATION**

Through signing this Business Partner Compliance Verification Form, I/We hereby certify that I/We have read, acknowledge and agree to comply to HeveaBoard Berhad and its subsidiaries’ (‘Group’) Anti-Bribery and Corruption Policy (‘Policy’) which is applicable to all the directors, employees, agents, current or prospective customers, vendors, suppliers, distributors, outsourcing providers, consultants, distributors, outsourcing providers, consultants, joint venture or business partners, contractors, investors, advisers, associates, representatives or anybody who has business relationship with the Group.

\_\_\_\_\_  
*Authorised Signatory*

\_\_\_\_\_  
*Date*

Name : \_\_\_\_\_

NRIC/Passport No. : \_\_\_\_\_

Designation : \_\_\_\_\_