



PARAGON UNION BERHAD

Registration No. 199401000779 (286457-V)
(Incorporated in Malaysia)

ANTI-BRIBERY & CORRUPTION POLICY

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INTRODUCTION

The Anti-Bribery and Corruption Policy (“Policy”) of Paragon Union Berhad (“PUB” or “The 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 based on the Guidelines on Adequate Procedures issued by the National Centre For Governance, Integrity and Anti-Corruption (GIACC).

PUB is committed in ensuring that the Group meets its legal obligations and prevents, detects, minimises and eliminates all form of corrupt practices.

POLICY AND OBJECTIVE

This Policy is supplemental to and shall be read in conjunction with PUB’s internal policies and procedures, i.e. “Whistleblowing Policy and Guidelines” and “Code of Ethics and Conduct”.

This Policy encompasses an ethical framework that serves as a guide to the actions and behavior of all Directors, employees of the Group (“Employees”) and business associates which include but not limited to current or prospective customers; contractors; vendors; suppliers; distributors; outsourcing providers; consultants; agents; advisers; associates; representatives or any other business partners (“Business Associate”) in the ordinary course of the Group’s business activities.

The policy is served to ensure all Employees of the Group and Business Associate are guided on standards of behavior and to comply with all relevant applicable laws, rules and regulations in discharging their duties.

The Policy focuses on discipline, good conduct and integrity which represent a critical success indicator 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.

SCOPE

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.

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DEFINITION

Bribery

Bribery includes but 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.

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 interfere, 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.

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).

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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 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;
- 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 Employee 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 that the recipient knows the giver is not permitted to give;
- Gifts otherwise denied or previously denied by the Group;
- Gifts of cash or cash equivalent (such as gift cards, lavish or unreasonable gifts, hospitality loans, fees, commissions, discounts or any other related forms);
- Gift prohibited by local law.

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 the details as to how that gift was distributed or utilised.

Employees are expected to exercise sound judgement when accepting gifts and are required to obtain advice from their immediate superior or head of department (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 Employees:

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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.

Acceptance or giving of the following are strictly prohibited:

- Any events that would undermine or damage the reputation of the Group, e.g. adult entertainment, gambling, lewd behavior;
- 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 Employees are expected to exercise sound judgement when accepting any offers to invitation that are above RM200 and are required to obtain advice from their head of department if they are in any doubt.

Travel

Occasionally, the Group deems its appropriate for third parties to pay for travel-related expenses for its employee. However, the said offer of travel must be approved by the respective head of department, who should take into serious consideration of 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 prohibited.

The Employees are expected to exercise sound judgement when travel offers and are required to obtain advice from their head of department if they are in any doubt.

Facilitation Payments

Employees shall not promise or offer facilitation payments to an officer of any public body. Any request for facilitation payment must be reported immediately to the Management for further advice. However, there could arise circumstances in which the 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.

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.

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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 influence business decisions or to conceal bribery or corruption practices.

The Employee 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 the 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.
- 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. Guidance and standards for appropriate practices and behaviours are expected to also be regulated to prevent corrupt practices.

RECORD MANAGEMENT & CONTROL

Accurate and complete invoices, documents, and records of all the Group's transactions with Business Associate are to be maintained to ensure they are bona fide and conform to generally accepted and applicable laws and regulations.

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RESPONSIBILITIES OF EMPLOYEES

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

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

TRAINING AND COMMUNICATION

This Policy is a public document which published in our website and shall be communicated to all employees and Business Associate.

All 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 all employees, especially to new recruits and must be communicated to all the new Business Associate.

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).

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ADMINISTRATION

Reporting of Violation of Policy

Employee 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 Guidelines.

No individual shall be discriminated against 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.

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 and can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws or regulation and /or accommodate organizational changes within the Group.