



ANTI – BRIBERY & CORRUPTION (“ABC”) POLICY & HANDBOOK

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GLOSSARY

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ABC	Anti-Bribery and Corruption
BOD	Board of Directors. This includes all independent and non-independent directors, executive and non-executive directors.
Business Associates	External party (e.g., Counterparties and Business Partners) with whom SK Kaken (M) Sdn Bhd has, or plans to establish, some form of business relationship. This includes clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors, as defined by ISO 37001 - Anti-Bribery Management Systems.
Company	SK Kaken (M) Sdn Bhd
Conflict of Interest	When a person's personal interests either influence or could potentially influenced or are perceived to have influence on their decision making.
CSR	Corporate Social Responsibility
Employee/ Personnel/ Staff	A person employed by SK Kaken (M) Sdn Bhd. This includes those who are permanent, on probation, employed on contract, on a temporary basis, on secondment, or retain or appointed by SK Kaken (M) Sdn Bhd for a fixed or indefinite term to perform any function for SK Kaken (M) Sdn Bhd (including interns and apprentices).
HOD	Head of Divisions/ Departments
IGU	Integrity & Governance Unit
MACC	Malaysian Anti-Corruption Commission
Management	Refers to any individual/group/committee which has authority to make decision on certain issues/ areas
Operation Director (OD)	The Director managing the day-to-day operation of SK Kaken (M) Sdn Bhd

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PREFACE

A. POLICY STATEMENT

- i. SK Kaken (M) Sdn Bhd adopts a **ZERO-TOLERANCE POLICY** against all forms of bribery and corruption, whether active or passive, and is committed to ensure the highest possible ethical standards, integrity and morals in its business conduct. The SK Kaken (M) Sdn Bhd Code of Conduct and SKKC Handbook sets out SK Kaken (M) Sdn Bhd’s core principles surrounding this matter and this **ABC Policy & Handbook (“Policy”)** sets out the guidelines for employees on how to deal with bribery, improper solicitation, and other corrupt activities and issues which may arise in the course of business activities.
- ii. SK Kaken (M) Sdn Bhd will uphold all applicable laws in countering bribery and corruption in the jurisdiction in which we operate and shall observe any changes to the relevant laws periodically and make amendments to the Policy as and when necessary.
- iii. This document sets out the responsibilities of SK Kaken (M) Sdn Bhd and for those who provide goods/services to SK Kaken (M) Sdn Bhd with regards to observing and upholding SK Kaken (M) Sdn Bhd’s policy on zero-tolerance for bribery and corruption. This anti-bribery and corruption policy and zero-tolerance stance will be clearly communicated to all suppliers, contractors, business partners, and any third parties at the outset of business relations, and as appropriate thereafter.

B. RELATED DOCUMENTS

- i. This ABC Policy & Handbook shall be read together with other related internal policies / frameworks / procedures / guidelines (including but not limited to SK Kaken (M) Sdn Bhd’s Code of Conduct, Compliance Manual, SKKC Handbook, Whistleblowing Policy & Procedures, and other Policies and SOPs, and / or external policies / frameworks / procedures / guidelines issued by the governing authorities (e.g., the Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendment (“MACC Act”), the Companies Act 2016 (“CA2016”), etc.)

C. GETTING HELP

- i. If any clarification and explanation is required regarding this Policy & Handbook or issues surrounding anti-bribery & corruption, they are to consult the Compliance Officer, Head of IGU or the Chairman of the Management Committee. Employees may also consult their immediate supervisor/ HOD of their respective division/ department.

INTRODUCTION

The Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”) was amended, inter alia, to include a new and far-reaching Corporate Liability provision, i.e., Section 17(A), which took effect on 1 June 2020.

The provision of Section 17(A) under MACC Act establishes the principle of an organisation’s criminal liability (*Corporate Liability*) for the corrupt practices of its associated persons (i.e., the director(s), partner(s), employee(s) of the commercial organisation or the person who performs services for or on behalf of the commercial organisation (such as distributors, agents, contractors, etc.) where such corrupt practices are carried out for the organisation’s benefit or advantage; whilst the organisation does not have the adequate policy/ procedures on anti-corruption in place.

This is regardless of whether or not, the upper management and/or its representatives know about the corrupt acts committed by its employees or associates. This new provision encourages commercial organisations to implement necessary procedures and measures to ensure businesses are conducted with integrity and free from corruption.

If a commercial organisation is charged under Section 17(A), possible penalty if found guilty is a fine of not less than ten (10) times the value of the bribe or RM 1 million, whichever is higher, AND/OR imprisonment for up to twenty (20) years. However, it is a defence for the commercial organisation if they can prove ‘Adequate Procedure’ were in place to prevent corrupt conducts in its business operations.

In conjunction with the above, SK Kaken (M) Sdn Bhd has adopted an anti-bribery & corruption management process to support sustainable development goal by combating bribery and corruption. This further demonstrates SK Kaken (M) Sdn Bhd commitment to uphold the highest level of ethics and integrity in its day-to-day conduct of business.

This ABC Policy & Handbook is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide a basic guideline on how SK Kaken (M) Sdn Bhd combats bribery and corruption in furtherance to the SK Kaken (M) Sdn Bhd commitment to lawful and ethical behaviour.

A. OBJECTIVES

- i. The principal objectives of this Policy are:
 - a) To foster the growth of a business environment that prioritises integrity and is free from bribery and corruption.
 - b) To provide guidance on how to recognise and deal with bribery and corruption related matters.

- c) To ensure reasonable measures are in place to prevent corrupt activities as per Guidelines on Adequate Procedures as issued/published by Malaysian Institute of Integrity pursuant to Section 17(A) of the MACC Act.
- d) To avoid penalty from the relevant authorities due to non-compliance on any acts related to integrity and anti-corruption.

B. SCOPE

- i. The Policy shall apply to all of SK Kaken (M) Sdn Bhd directors, officers, and employees (including temporary workers, interns, trainees, casual workers, home workers, seconded employees etc.) and all business associates and third parties providing goods and/or services to or on behalf of the SK Kaken (M) Sdn Bhd in any capacity.
- ii. Third parties include but is not limited to any individual or organisation that SK Kaken (M) Sdn Bhd engages and deals with e.g., actual and potential contractors, vendors, consultants, business contacts, agents, and government and public bodies (including their advisors, representatives, officials, politicians, and public parties).
- iii. Any dealings and engagement with a third party in connection with any business being sought should require a due diligence to be conducted to investigate the reputation, beneficial ownership, professional capability and experience, financial standing and credibility of such person and the record of such person's adherence to applicable laws in Malaysia and other countries. Any red flags identified must be reported to the management.
- iv. SK Kaken (M) Sdn Bhd has developed a standard form clause for inclusion in all its commercial contracts dealing with bribery and corruption underlining SK Kaken (M) Sdn Bhd right to terminate contracts if bribery is established. Individual(s) / Organisation(s) who provide goods / services to or on behalf of SK Kaken (M) Sdn Bhd must meet SK Kaken (M) Sdn Bhd minimum standards and procedures relating to anti-bribery and corruption, failing which, SK Kaken (M) Sdn Bhd shall have the right to terminate the contract (of any nature) with immediate effect and SK Kaken (M) Sdn Bhd shall actively seek to recover any losses suffered as a result.
- v. The anti-bribery and corruption policy underlying this Policy & Handbook is intended to supplement all applicable local laws, regulations and other internal policies and is not intended to substitute any local or international laws and regulations.

C. CHANGES, LAW, AND CONFLICT

- i. In order to maintain best practice, this ABC Policy & Handbook shall be reviewed every three (3) years or as and when deemed necessary. SK Kaken (M) Sdn Bhd reserves the right to change any of the policies in this ABC Policy and Handbook without notification. All directors, employees, third parties, business associates should check the ABC Policy & Handbook periodically for any updates.
- ii. SK Kaken (M) Sdn Bhd is committed to conduct its business ethically and in compliance with all applicable laws and regulations, including but not limited to the MACC Act, Malaysian Penal Code (revised 1977) (and its amendments), the CA 2016 (Malaysia), the Anti-Money Laundering, Anti-Terrorism, Financing and Proceeds of Unlawful Activities Act 2001 (Malaysia), and the UK Bribery Act 2010 which prohibit bribery and corruption.
- iii. In cases of conflict between mandatory law and the principles contained in this Policy, the law shall prevail.

PART I: BRIBERY AND CORRUPTION

1. SK KAKEN (M) SDN BHD'S PRINCIPLE

- 1.1. At SK Kaken (M) Sdn Bhd, we adopt a **ZERO TOLERANCE POLICY** and is committed to uphold integrity in our daily business operations.
- 1.2. SK Kaken (M) Sdn Bhd recognises the importance of upholding integrity in its daily business operations. Integrity is the practice of being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values. This requires all staff of SK Kaken (M) Sdn Bhd to be straightforward and honest in all professional and business relationships.
- 1.3. SK Kaken (M) Sdn Bhd's recruitment, training, performance evaluation, remuneration, recognition, and promotion for all employees, shall be designed to recognise integrity. SK Kaken (M) Sdn Bhd conducts due diligence on directors and employees who holds or may be holding Politically Exposed Positions.
- 1.4. No director nor employee will suffer demotion, penalty, or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the Company losing business or experiencing a delay in business operations.
- 1.5. SK Kaken (M) Sdn Bhd does not offer directorship nor employment to prospective employees in return for previous favour in exchange of improper favour.
- 1.6. SK Kaken (M) Sdn Bhd awards contracts, directorship and employee positions purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process.

2. BRIBERY AND CORRUPTION

- 2.1. Bribery is the offering, promising, giving or accepting of anything in value, either in the form of cash or in kind, to or by another person to in order to gain any commercial, contractual regulatory or personal advantage other than by legitimate and proper means.
- 2.2. Bribery may take the form exchange of money, goods, services, privilege, property, or preferential treatment. All directors and employees shall not directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the

intended benefit of SK Kaken (M) Sdn Bhd or the persons involved in the transaction. Even the perception of bribery is to be avoided.

- 2.3. Corruption is defined as the abuse of office or position for personal gain or the misuse of position to help others in improperly enriching themselves or getting power. This includes any form of abuse of entrusted power for private gain which may include but is not limited to bribery (including kickbacks).
- 2.4. For the purpose of this handbook/ policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving 'gratification' under the MACC Act. In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.
- 2.5. Both bribery and corruption are not only a Policy violation but are punishable offences under the MACC Act.

3. POSSIBLE FORMS OF CORRUPTION

- 3.1. **Charitable and political donations, sponsorship, travel, and promotional expenses** - These are legitimate activities for entities but can be abused by being used as a subterfuge for bribery.
- 3.2. **Facilitation payments** - These are typically small payments made to secure or expedite the performance of a routine or necessary action to which the payer is entitled, legally or otherwise.
- 3.3. **Kickbacks** - These are bribes fulfilled after a company has awarded a contract to a customer. They take place in purchasing, contracting, or other departments responsible for decisions to award contracts. The supplier provides the bribe by kicking part of the contract fee back to the buyer, either directly or through an intermediary.
- 3.4. **Patronage** - Favouritism in which a person is selected, regardless of qualifications, merit, or entitlement, for a job or benefit because of affiliations or connections.
- 3.5. **Bid rigging** – The way that conspiring competitors effectively raise prices in situations where purchasers acquire goods or services by soliciting competing bids.
- 3.6. **Cartels** - A secret agreement or collusion between organisations to commit illicit actions or fraud.
- 3.7. **Price fixing** - An agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold. Price fixing can take many forms, and any agreement that restricts price competition may violate applicable competition laws.
- 3.8. **Revolving door** - This is corruption linked to the movement of high-level employees from public sector jobs to private sector jobs and vice versa. The main concern relates to how the practice by an organisation can compromise the impartiality and integrity of public office. For organisations, there may be risks in discussing or promising future employment to public officials or using former public officials as board members, employees, or consultants etc.
- 3.9. **Illegal information brokering** - The brokering of corporate confidential information obtained by illegal methods.
- 3.10. **Insider trading** - Any securities transaction made when the person behind the trade is aware of non-public material information and is hence violating his or her duty to maintain confidentiality of such knowledge.
- 3.11. **Tax evasion** - The illegal non-payment of tax to the government of a jurisdiction to which it is owed by a person, enterprise, or trust who should be a taxpayer in that place.

4. MAIN OFFENCES UNDER THE MACC ACT

- 4.1. Briefly, there are four (4) main offences prescribed by the MACC Act as follows:
- a) Soliciting/ Receiving Gratification (Bribe) – [Section 16(a) & 17 (a)]
 - b) Offering/ Giving Gratification (Bribe) – [Section 16(b) & 17(b)]
 - c) Intending to Deceive (False Claim) – [Section 18]
 - d) Using office or position for Gratification (Bribe) – Section 23
- 4.2. Failure to report on the above could lead to regulatory reprimand and fine as prescribed under the MACC Act.

5. PENALTIES AND CHARGES

General Penalty for any Corruption-related Offences

- 5.1. The general penalty for any corruption-related offence under MACC Act 2009 is imprisonment for a term not exceeding twenty (20) years and a fine of not less than five (5) times the sum or value of the gratification or minimum RM10K, whichever is higher.

Penalty under Section 17A

- 5.2. Any commercial organisation who commits an offence under this section shall on conviction be liable to a fine of not less than ten (10) times the sum or value of the gratification or RM1 mil, whichever is higher, or to imprisonment for a term not exceeding twenty (20) years or both.

DO'S	DON'TS
<ul style="list-style-type: none">✓ Read, understand and comply with the ABC Policy & Handbook✓ Continually monitor and be aware of "Red Flags".✓ Attend the annual ABC Policy & Handbook training/ webinar.✓ Immediately report any suspected violations of the policy via SK Kaken (M) Sdn Bhd's whistleblowing mechanism.	<ul style="list-style-type: none">⊗ Participate (directly or indirectly) in any illegal or illicit acts of bribery or corruption.⊗ Misuse your position or SK Kaken (M) Sdn Bhd's name for any benefit or to the detriment of the Company.⊗ Fail to report any real or suspected incidents of bribery and corruption.⊗ Conceal, alter, destroy or otherwise modify any information on incidents of bribery and corruption.⊗ Collude with business associates in making false claims relating to workorders/ projects/ products and services.

PART II: GIFTS, ENTERTAINMENT, AND CORPORATE HOSPITALITIES

1. SK KAKEN (M) SDN BHD'S PRINCIPLE

1.1. SK Kaken (M) Sdn Bhd adopts a **“No Gifts” policy**, subject to certain limited exceptions. This means that Directors and Employees, including their family members* shall not (directly or indirectly), provide, solicit nor accept gifts that may influence good judgement and decision making, subject to certain limited exceptions.

**Note: “Family members” includes spouse(s), children (including stepchildren and adopted children), parents, stepparents, siblings, stepsiblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.*

1.2. Strict adherence to this policy is required by all SK Kaken (M) Sdn Bhd’s employees to avoid conflict of interest between SK Kaken (M) Sdn Bhd and external parties/business associates as a gift can be seen as a bribe that may adversely affect SK Kaken (M) Sdn Bhd’s reputation or be in violation of anti-bribery and corruption laws.

1.3. A conflict of interest arises in a situation when an individual is able to use their position in SK Kaken (M) Sdn Bhd to benefit themselves, their family or friends. This would undermine the duties of the employees to act in good faith with loyalty, diligence, and honesty as expected by SK Kaken (M) Sdn Bhd in carrying out their responsibilities.

1.4. Any gift of cash or cash value (e.g., vouchers, coupons, shares, gift cards, commissions, etc.) is strictly prohibited at all times.

1.5. The exception to the above is for fruits, flowers, and token gifts/ promotional items (such as diaries, pens, umbrellas, shirts, etc.) with an approximate/ actual value of less than RM100 (the recipients must properly estimate the gift value) as well as hampers (any value) which shall be shared among team members or placed in common area/ pantry for staff consumption. In such a case, the staff could choose to accept the item without having to make the declaration.

1.6. Any gifts which violate the terms of “No-Gift Policy” must be declined/ returned with an explanation note from the employees thanking the giver for the gift and politely decline/ return the gift accordingly, citing SK Kaken (M) Sdn Bhd’s “No-Gift Policy”.

1.7. Should any dispute pertaining to the bribery and corruption issues arise, the final and decisive interpretation, clarification and decision will be made by the Operation Director (OD).

2. GIVING GIFTS

- 2.1. All employees including their family members (with the exception of the OD and other personnel approved by the OD) are not allowed to give any gifts to business associates and third parties that may have direct or indirect business interest with SK Kaken (M) Sdn Bhd, unless the gift-giving is a corporate gift mainly as a business courtesy or the gifts are distributed during a corporate event (bearing SK Kaken (M) Sdn Bhd's name or logo).
- 2.2. All expenses incurred to provide the corporate gifts must be properly kept, documented and recorded for audit purposes.

3. PROVIDING ENTERTAINMENT

- 3.1. SK Kaken (M) Sdn Bhd acknowledges that offering modest entertainment is a legitimate way of cultivating business relationships and it is a widely accepted practice in the corporate world to foster positive relationships with external clients and third parties. Consequently, eligible employees are allowed to entertain clients and third parties with reasonable acts of hospitality as a means of business networking and also to show goodwill towards those receiving the hospitality.
- 3.2. As this is an area where perception is often regarded as more important than facts, employees should always exercise proper care and judgment when providing entertainment to client and third parties particularly if it involves public officials, to make sure they comply with the local laws against bribery and corruption.
- 3.3. Employees are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery.
- 3.4. All employees are required to comply with the policy and procedures of providing entertainment, and maintain expenses within the entitlement limits when carrying out entertainment activities. Any indication to/ potential breach of limit shall obtain OD's approval via email (at least 3 working days prior to the event).
- 3.5. All expenses incurred to provide the entertainments must be properly kept, documented and recorded for audit purposes.

4. PROVIDING CORPORATE HOSPITALITY

- 4.1. SK Kaken (M) Sdn Bhd acknowledges that offering corporate hospitality to all stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and cultivate goodwill in business relationships.
- 4.2. It is customary for SK Kaken (M) Sdn Bhd to issue complimentary invitations in the form of passes, tickets or invitations to third party for events organised or sponsored by SK Kaken (M) Sdn Bhd as well as events organised or sponsored by external organisations.
- 4.3. While providing corporate hospitality is a reflection of SK Kaken (M) Sdn Bhd's courtesy and goodwill, the employee and respective HOD must exercise proper care to protect the Company's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision.
- 4.4. There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to SK Kaken (M) Sdn Bhd's corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve public officials.
- 4.5. Any form of extravagant and/or luxurious entertainment is not permitted as it might contravene the MACC Act.
- 4.6. All expenses incurred to provide the corporate hospitality must be properly kept, documented and recorded for audit purposes.
- 4.7. For corporate hospitality, the respective division/ department/ committee has been given a specific budget. Any breach of the approved budget limit shall warrant the respective employee to seek approval from OD via email (at least 3 working days prior to the event). Notification will be sent should there be any changes made to the spending limits, and the respective department must abide by these rules from the date that such limits are introduced.
- 4.8. Likewise, if the division/ department wishes to provide corporate hospitality which is not under the business plan or budgeted programme, approval shall be sought from OD via email (at least 3 working days prior to the event).

5. RECEIVING GIFTS

- 5.1. If you are offered a gift from an external party, you are required to thank the giver and politely refuse / return the gift and inform them of SK Kaken (M) Sdn Bhd's "No Gifts" Policy.
- 5.2. Notwithstanding, the Company is very much aware that in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging SK Kaken (M) Sdn Bhd's "No-Gift Policy", some external parties may still insist on providing gifts to SK Kaken (M) Sdn Bhd's employees and/ or their family members.
- 5.3. Hence, in the event where it is not possible to decline or return a gift (with an approximate value or more than RM100), or the refusal is likely to offend the giver/ cause harm to the business relationship, the employee should declare in the **Gifts, Entertainment And Corporate Hospitality Declaration Form (APPENDIX I)** and surrender such gifts to HR. HR will in turn seek the OD's direction on the best way to handle the gift. The OD, subject to his due considerations, will have the right to decide based on the following:
 - a) Donate the gift to charity; or
 - b) Register it as a Company's property to be used publicly by all employees; or
 - c) Decorate it as a display item; or
 - d) Share it with other employees; or
 - e) Retain all the gifts and utilise later as lucky draw items during Company's event etc.; or
 - f) Allow the employee to keep the gift.
- 5.4. The exception to paragraph 5.3 above is for meals provided/ paid for by a third party. In this case, the staff could accept any meals provided/ paid by a third party to them regardless of value but must declare it via the gift declaration form.
- 5.5. Acceptance of hampers (any value) must be shared amongst team members or placed in common area/ pantry for all employees' consumption (no declaration is required).
- 5.6. In the case of directors/ board members, they shall be governed by the "No-Gift Policy" as designated by the government.

6. RECEIVING CORPORATE HOSPITALITY & ENTERTAINMENT

- 6.1. Receipt of entertainment or corporate hospitalities (other than refreshments offered in meetings held at business premises) are generally prohibited. Examples of prohibited entertainments include orchestra, theatre, karaoke, spa etc. Examples of prohibited

corporate hospitalities include travelling, passes, sporting events, event tickets or additional discounts given on items bought from the external parties' companies, etc.

- 6.2. However, SK Kaken (M) Sdn Bhd recognises that the occasional acceptance of an appropriate level of hospitality and entertainment given in the normal course of business is usually a legitimate contribution to building good business relationships. Nonetheless, it is important for employees to exercise proper care and judgement before accepting the hospitality and entertainment. This is not only to safeguard the Company's reputation, but also to protect employees from allegations of impropriety or undue influence.
- 6.3. Gifts, hospitality, or expenses which has 'strings attached' must be politely declined, especially if the intent or purpose of the hospitality is an attempt to secure a business advantage or influence a decision (e.g., by creating a sense of obligation).
- 6.4. In the event the employees find that the corporate hospitality is beneficial to foster healthy business relationship, the employee could pursue the same, but it has to be declared to HR.
- 6.5. Generally, allowable entertainment which could be accepted by SK Kaken (M) Sdn Bhd's employee is movies whereas allowable corporate hospitalities could include golf, meals, open house, and trainings (declaration is required).
- 6.6. If the employees have any doubts on the appropriateness of entertainment and corporate hospitalities offered by an external party, the general rule of thumb is to decline the offer or consult with HR/HOD first (subsequently to seek Managing Director's direction, if deemed necessary).

7. RECEIVING GIFTS OFFSITE

- 7.1. For any gifts received off-site (e.g., home) from a business associate or other parties engaged in business with SK Kaken (M) Sdn Bhd, the employee shall refuse and report the incident to their respective HOD/HR/ Compliance Officer. In a situation where they are unable to refuse, Paragraph 5.3 applies, and the employee shall make a declaration and surrender the gift to HR which will in turn seek Operation Director's direction.

PART III: CSR, DONATIONS AND SPONSORSHIPS

1. SK KAKEN (M) SDN BHD'S PRINCIPLE

- 1.1. Any CSR, charitable donations and sponsorships are only allowed for legitimate reasons and must not be used as a conduit to circumvent, avoid, or evade the laws or regulatory requirements. More importantly, it shall not be used to facilitate corruption, illegal and money laundering activities.

2. CSR, DONATIONS AND SPONSORSHIP

- 2.1. All CSR, donations and sponsorship requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome, as these might amount to bribery. Employees should exercise good judgment and common sense in assessing such requests. When in doubt, employees should seek further advice from the HOD and OD.
- 2.2. As a business, SK Kaken (M) Sdn Bhd is pleased to support deserving causes, but not in the expectation of any reward or influence in return. The proposed recipient must be a legitimate organisation such as those registered with the Registrar of Society ("ROS"), or those already approved by the BOD under the Company's CSR programme. Appropriate due diligence must be conducted to ascertain that the benefits reach their intended recipient whilst the programme meet the intended objectives.
- 2.3. All CSR, donations and sponsorships requests shall require approval from the OD in advanced and must be made in accordance with the approved limits / budget.
- 2.4. If an employee wishes to undertake charitable works or to seek sponsorship of a personal nature from their colleagues, they are to notify the HR in advance. SK Kaken (M) Sdn Bhd does not prohibit genuine fund raising of a personal nature by our employees and associates provided that it is evident that it is unrelated to the Company's business.
- 2.5. CSR, donations and sponsorships shall not be made to any beneficiary who is controlled or influenced by any political officials.
- 2.6. Employees who wish to make personal contributions to charities or to political organizations or engage in any form of sponsorship in their own capacity and funds, must make it clear to all those concerned that such activity has nothing to do with SK Kaken (M) Sdn Bhd and that they are acting in their own personal capacity outside of

work. Employees must not use SK Kaken (M) Sdn Bhd's resources for, or in support of such personal activities.

3. POLITICAL DONATIONS

- 3.1. SK Kaken (M) Sdn Bhd do not make political donations (i.e., donations or contributions to politicians and political campaigns) or CSR where the beneficiaries are controlled by any political officials or candidates for political office whether in monetary or in-kind, and we do not allow the Company's resources to be used for this purpose.
- 3.2. The Company encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by the law.

PART IV: FACILITATION PAYMENT

1. SK KAKEN (M) SDN BHD'S PRINCIPLE

- 1.1. SK Kaken (M) Sdn Bhd prohibits promising, accepting, and giving, either directly or indirectly, anything which might reasonably be regarded as facilitation payments of all kinds from any person (e.g., directors, employees or business associates acting on behalf of the Company) for the benefit of themselves or for any other person.
- 1.2. If an employee receives a request or is offered facilitation payments, he / she must immediately report to their HOD and the Compliance Officer.

2. FACILITATION PAYMENT

- 2.1. "Facilitation payment" (sometimes known as "grease payments") is a payment received or made to a decision maker or an administrative staff (in either public or private sectors) to secure or expedite the performance of their duty.
- 2.2. Facilitation payments are illegal under the MACC Act as it falls within the meaning of gratification or bribery.
- 2.3. SK Kaken (M) Sdn Bhd recognizes that in some parts of the world, facilitation payments are a common business practice and might even be legal. Notwithstanding, SK Kaken (M) Sdn Bhd will not partake in the payment/ receipt of such payments.
- 2.4. Payments of reasonable and bona fide expenses incurred in the proper course of our business are not prohibited by this Policy when they are directly related to the execution or performance of a contract or other binding obligation.
- 2.5. Proper and thorough due diligence is undertaken on those with whom we engage with and, in particular, any organization which represents our interests in any capacity, or which supplies goods or services to us. SK Kaken (M) Sdn Bhd keeps and maintain accurate books and records in reasonable detail. We are subject to internal audit and controls. All payments must be properly recorded in our accounts and financial records. Recording such payments in any way which would conceal their true nature, or which is contrary to applicable accounting standards is not permitted.

PART V: DUE DILIGENCE

1. SK KAKEN (M) SDN BHD'S PRINCIPLE

- 1.1. SK Kaken (M) Sdn Bhd is committed to conduct due diligence on Directors, Personnel, Business Associate / Third Parties, Government/ Public Officials or any party who is engaged to work for and on behalf of the Company, projects and major business activities, prior to engagement with them, in particular where there is significant exposure to bribery and corruption risk.
- 1.2. All dealings with clients and third parties which include contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers/ government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of SK Kaken (M) Sdn Bhd's Code of Conduct. Accordingly, all forms of bribery and corruption are unacceptable and will not be tolerated.
- 1.3. SK Kaken (M) Sdn Bhd expects that all clients and third parties to observe SK Kaken (M) Sdn Bhd's set of values and ethical standards as their actions can implicate SK Kaken (M) Sdn Bhd legally and tarnish SK Kaken (M) Sdn Bhd's good name. Therefore, prior to entering into any arrangements with third parties/ prospective businesses, the respective employee is obligated to conduct appropriate third-party due diligence / screening to understand their business and background. This is to safeguard and ensure that SK Kaken (M) Sdn Bhd only deals with clients/ third parties that adheres to SK Kaken (M) Sdn Bhd's acceptable standard of integrity.

2. DUE DILIGENCE

	WHEN	BY WHO
PERSONNEL	Prior to onboarding new employees, promotion, transfers, incidents of misconduct.	HR
CLIENTS / BUSINESS ASSOCIATES / THIRD PARTIES	Prior to first time engagement, renewal of contracts, performance valuation, incidents of misconducts, material changes in circumstances.	Respective business functions that engage with the third parties.
PROJECTS	Prior to the commencement of a project. As and when there are material changes in the circumstances.	Respective HODs/ managers/ project lead.

- 2.1. The purpose of due diligence is to serve as a guide to Directors and Personnel in making a decision whether to continue the relationship with the client/ third party. Any unsatisfactory findings from the due diligence shall be treated as red flags. Based on due diligence outcome, we may either decline, suspend or terminate relationships with Personnel, Business Associate / Third Parties, Government/ Public Officials or any other parties engaging with the Company to protect the Company from any legal, financial and reputation risk.
- 2.2. The due diligence process should be aimed at obtaining sufficient information in order to assess if there are bribery risks posed by these parties. Do not enter into any business dealings with any customers and third party suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
- 2.3. If at any point during the due diligence exercise or in the dealings with clients or third party, there are conflict of interest or “red flags” being raised, these warrant further investigation and must be sufficiently addressed before the engagement with the client and third party can progress.
- 2.4. In particular, the client and third party should be asked what measures they have taken to resolve the issue/ red flag which had taken place in their company.
- 2.5. Conditions to reduce any perceived risk such as recommending anti-corruption policies on the client / third party may be considered. This may be stated in the letter, contract or agreement between SK Kaken (M) Sdn Bhd and the client / third party.
- 2.6. If the red flags relate to a historic investigation in corrupt activity where no conviction happened, then the red flag can be considered mitigated (though it is prudent to seek further information or background of the circumstances).
- 2.7. In some circumstances, the “red flags” are unsubstantiated rumours which have not been formally investigated by the authorities or law enforcement agencies or proven in a court, tribunal or equivalent. Under this scenario, the Directors or Personnel may proceed with the contract. Nevertheless, it is advisable that the Directors or Personnel to continuously monitor the situation and immediately highlight any adverse findings to the Compliance Officer.
- 2.8. Only proceed if there are no “red flags” identified or if all identified red flags are sufficiently mitigated (to satisfy that reasonable steps had been taken to address the corruption risk of the third party).

2.9. If the red flags still could not be mitigated or resolved despite all of the non-exhaustive measures, the Directors or Personnel shall not proceed with the relationship with the client / third parties.

2.10. Examples of common “red flags” involving clients and third parties include:

- A) Family, business or other “special” ties with government or public officials.
- B) A reference check reveals a flawed background or reputation of the client/ third party.
- C) Objection to the anti-bribery representations/ commitments in commercial agreements or negative response when told of such requirements.
- D) Convoluted payment arrangements such as payment in cash, payment to other parties or requests for upfront payment for expenses or other fees.
- E) The client/ third party requires that their identity not to be disclosed as part of the business transaction.
- F) Inadequate credentials for the nature of the engagement, no proper office to conduct their operations or no proper established place of business.

2.11. All third party must sign the declaration form (refer to **Appendix II**) which states that:

- a) They understand and will comply with all applicable laws and regulations relating to anti-fraud, anti-money laundering, anti- bribery & corruption and whistleblowing. They must be ready to commit to the anti-corruption principles which include promoting values of integrity, transparency, accountability and good corporate governance, prevention of corruption, as well as support any anti-corruption initiatives led by the government and the local authorities.
- b) They have not been convicted nor subjected to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law, to SK Kaken (M) Sdn Bhd.
- c) They undertake to promptly inform SK Kaken (M) Sdn Bhd of any breach and/ or alleged/ suspected breach of the requirements and cooperate with SK Kaken Sdn Bhd in any investigation of such breach involving SK Kaken (M) Sdn Bhd’s personnel.
- d) They acknowledge that the provisions set out in the declaration form shall form part of the terms and conditions of their appointment/ contract of service/ letter of offer.
- e) They further acknowledge that SK Kaken (M) Sdn Bhd has the right to suspend or terminate their contract/ agreement/ job and disqualify them from tendering for

future contracts/ jobs if they were found to have breached the requirements or any other terms and conditions which may be implemented by SK Kaken (M) Sdn Bhd pursuant to the contract/ agreement/ job.

- f) Continue to be aware of and to periodically monitor third party's performance and business practices to ensure ongoing compliance.

Note: The Third-Party Declaration Form is applicable to non-clients only such as contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers/ government intermediaries etc. with contract/ agreement/ job value of more than RM10,000.

Additionally, they also need to sign the Third-Party Non-conflict of Interest with SK Kaken (M) Sdn Bhd Form (refer to Appendix III). This is to ensure that all SK Kaken (M) Sdn Bhd's contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers/ government intermediaries etc. are aware that they have no conflict of interest with SK Kaken (M) Sdn Bhd. In the event the third party has a conflict of interest with SK Kaken (M) Sdn Bhd, they have the responsibility to disclose such conflict of interest.

As for clients, they have to sign the Client's Annual Declaration Form during first engagement and on annual basis (refer to Appendix VI).

SK Kaken (M) Sdn Bhd may also engage with online vendors/ service providers such as for the purchase of air flight tickets, travel insurance etc. Such vendors are excluded from the requirement to sign the declaration form. Nevertheless, the employee is still required to ensure reasonable due care is exercised to protect SK Kaken (M) Sdn Bhd's interest at all times.

3. RECRUITMENT

- 3.1. The recruitment of employees should be based on pre-approved selection criteria to ensure that only the most qualified and suitable prospects are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.
- 3.2. Accordingly, the Company will conduct proper detailed background checks to ensure that all potential employees has not been convicted in any corruption and / or bribery cases. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.

4. CONFLICT OF INTEREST

- 4.1. A conflict of interest refers to a situation in which a director or an employee's personal interests' conflict with the professional interests owed to SK Kaken (M) Sdn Bhd.

- 4.2. To exercise the powers invested for the good of the Company rather than for his / her personal benefit, all directors and employees must use any and all information belonging to SK Kaken (M) Sdn Bhd only for the purposes of SK Kaken (M) Sdn Bhd and never for personal benefit.
- 4.3. The Company's conflict of interest policy is simple — all business decisions must be made solely in the best interests of SK Kaken (M) Sdn Bhd. In reaching these decisions, a director or an employee must not be swayed by personal or family considerations which may consciously or unconsciously affect his or her judgment as to what is right for the Company.
- 4.4. Conflicts of interest may arise when a director, an employee or a family member:
- a) Owns, directly or indirectly, an interest in any competitor, supplier, agent, contractor, sub-contractor, customer, person or organisation doing business with the Company or its affiliates.
 - b) Acts in any capacity including as a director, shareholder in a private limited company, officer, partner, consultant, employee, distributor, agent, or the like for a competitor, supplier, agent, contractor, sub-contractor, customer, person or organisation doing business with the Company or its affiliates.
 - c) Engages in activities that compete with or appear to compete with the Company's interests.
 - d) Let business decisions be influenced, or appear to be influenced, by personal or family interests or friendships.
 - e) Engages in any non-company activities during official working hours, unless prior permission has been obtained.
 - f) Uses company property, information or resources for personal benefit.
 - g) Has outside employment that negatively affects their job performance or interferes with their responsibilities.
 - h) Hires, supervises or has a direct or indirect line of reporting to a family member or someone with whom they have a romantic relationship.
 - i) Accepts a personal benefit directly or indirectly from a competitor, supplier, contractor, customer, person or organisation doing business with or expecting to do business with SK Kaken (M) Sdn Bhd. Gifts, travel, entertainment or other

forms of 'gratitude' of more than nominal value are deemed to constitute a 'personal benefit'. This paragraph excludes loans from insurance companies, commercial and saving banks at normal rate of interest.

- 4.5. All conflicts of interest must be disclosed to SK Kaken (M) Sdn Bhd, Management Team and recorded by HR. Having a conflict of interest is not necessarily a violation but failing to disclose it is.
- 4.6. Directors and employees may disclose an actual or potential conflict via the Employee Declaration of Conflict-of-Interest Form and must continue to make the disclosure every year as long as the conflict exists.

5. HIGH RISK CLIENTS/ THIRD PARTIES

- 5.1. Public officials or those connected to public officials are classified as high-risk clients/ third party as they are in a position of influence and could use this influence on a contract or could affect the decision-making process.
- 5.2. Accordingly, contracts with customers and third party who are public officials, connected to or likely to be connected to public officials are high risk which requires more extensive due diligence.

PART VI: DEALINGS WITH PEP / PUBLIC OFFICIALS

1. SK KAKEN (M) SDN BHD'S PRINCIPLE

- 1.1. We are committed to conduct our business with integrity in a fair, transparent and ethical manner.

2. PEP / PUBLIC OFFICIALS

2.1. PEP/ Public Officials refers to individuals having public official function i.e., those who works for or is an agent of a government owned or government-controlled entity. This includes elected and appointed officers or employees of national, municipal or local governments (including individuals holding legislative, administrative and judicial positions), officials of political parties and candidates for political offices, employees of government or state-controlled companies and Government-Linked Companies (“GLCs”).

2.2. The non-exhaustive lists of PEP / Public officials are as follows:

- a) Yang Di-Pertuan Agong, Yang Dipertua Negeri, Sultan, Raja, Raja Muda, Tengku Mahkota etc.
- b) An official or employee of any government, or any agency, statutory body, ministry or department of the government (of any level).
- c) Police, military, judicial official (of any level).
- d) Member of Dewan Undangan Negeri and Dewan Negara.
- e) Senator.
- f) Member of Parliament.
- g) Any individual acting in an official capacity for a government (of any level).
- h) Official or employee of a company/ an enterprise wholly or partially state-owned (of any level).
- i) A political party or official of a political party (of any level).
- j) A candidate for political office.
- k) Individuals who have been entrusted with prominent public functions by a foreign country or international organisation (e.g., director and members of senior management or equivalent function). This individual is considered as a Foreign PEP/ Public Official.

Note: PEPs/ public officials include their immediate family members, close associates and companies related to such individuals in their capacity as directors, members of management or beneficial owners. A close associate is any individual closely connected to PEPs/ public officials, either socially or professionally.

- 2.3. When determining whether a family member or close associate of a public official/ PEP who no longer holds a prominent public function is high risk, the employee needs to consider the level of informal influence that the PEP/ public official could still exercise, despite no longer holding a prominent public function.
- 2.4. Dealing with PEP / Public Officials requires careful consideration because a PEP / Public Official is in a position of influence and could use this influence in relation to the contract or the contract could affect decision making in their official role.
- 2.5. Offering a gift or hospitality to a PEP / Public Officials is considered a “red flag” as it could create a negative perception of bribery and corruption. Hence, Directors and Employees should exercise extra caution and judgement to ensure the gift or hospitality does not create a (either perceived or actual) conflict of interest nor seen as a medium for bribery and corruption.
- 2.6. If approval is obtained to provide gifts, entertainment or corporate hospitalities to PEP/ public officials, the employee must ensure that the gifts (note: only corporate gifts are allowed), entertainment or corporate hospitalities are not excessive and lavish, and must be commensurate with the official designation of the PEP/ public official and not his/ her personal capacity.

PART VII: WHISTLEBLOWING

3. SK KAKEN (M) SDN BHD'S PRINCIPLE

- 3.1. We are committed to provide an avenue for all Directors, Personnel and members of the public to raise concerns about any suspected and / or known improper conduct that they may observe occurring within the Company without fear of reprisal.
- 3.2. We encourage employees to report suspected wrongdoing without delay and without apprehension, knowing that their concerns will be taken seriously and investigated as appropriately, and that their confidentiality will be respected.

4. REPORTING / WHISTLEBLOWING

- 4.1. The implementation of the Whistleblowing Policy provides channels for secure reporting. Any person may lodge a report and all reported concerns will be treated confidentially and are kept protected against any unauthorized use and access.
- 4.2. SK Kaken (M) Sdn Bhd will ensure the confidentiality of the whistleblower as well as the witness (in the event the whistleblower is required to become the witness) provided that it was reported in good faith.
- 4.3. The report must contain sufficient evidence in order for an investigation to be conducted. Hence, it is encouraged to provide detailed and factual information to assist with the investigation such as who, what, where, when, and how.
- 4.4. There are two ways of reporting or raising a concern”
 - a) To fill-in the Whistleblowing Form and email to whistleblowing@skk.com.my; OR
 - b) Written letters/ complaints to: Suite 13.01, Level 13, Centrepoint South, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.
- 4.5. When raising the concern, the whistleblower may make use of the following tips on writing a good disclosure or whistleblowing report:
 - a) must have first-hand knowledge of the information or facts of the improper conduct, and not obtained from a third party or hearsay.
 - b) to provide as much relevant information as possible.

- c) state the whistleblower's name and the accused person(s) or company.
(Note: the whistleblower may opt not to state his/ her name in the report. Nonetheless, the whistleblower is to be mindful that by stating their name in the report will eventually smoothen the investigation process).
- d) shall have clear objective and reasonable basis for believing that the improper conduct to be reported is illegal, improper, or detrimental to SK Kaken (M) Sdn Bhd's interest(s).
- e) provide precise information such as date(s) and time of event(s), meeting(s) or correspondence(s) that have taken place or are going to happen, reference to relevant documents or policies, and other relevant facts.
- f) the whistleblowing report shall be brief but concise. Nevertheless, this does not limit the whistleblower to be specific on the detailed issues as this will assist the investigating team.
- g) keep the tone neutral and based on matter of facts, rather than being outraged, threatening, or harsh.
- h) use simple language and avoid any statements which may create confusion.
- i) provide documentary evidence, if necessary.
- j) affix the whistleblower's signature and date.

PART VIII: RECORD KEEPING AND RETENTION PERIOD

1. SK KAKEN (M) SDN BHD'S PRINCIPLE

- 1.1. We are committed to ensure all records are properly documented and retained to enable the Company to comply with any requests from the relevant authorities.

2. RECORD-KEEPING AND RETENTION PERIOD

- 2.1. All relevant employees have to maintain written records evidencing that due diligence has taken place and that any risks identified have been carefully considered and mitigated as practicably as possible. This includes any approvals obtained or reports made under this Policy.
- 2.2. Records should be retained for a significant period of time in order to comply with the local law as well as the Company's policies/ SOPs. Generally, all records, operational work documents, other documents, and transactions should be retained for at least seven (7) years to enable SK Kaken (M) Sdn Bhd to comply with any requests from the relevant authorities.
- 2.3. Additionally, records on customer's identification, business correspondence, and other relevant documents should be kept by the relevant staff for up to seven (7) years after the relationship is terminated/ exited/ completed.

APPENDIX I: GIFTS, ENTERTAINMENT AND CORPORATE HOSPITALITY DECLARATION FORM

This declaration form is in accordance with the Company’s “**No-Gift Policy**”. Hence, all employees must declare all gifts (with value of RM100 or more), entertainment and corporate hospitality within three (3) working days upon receiving the same to HR. Similarly, any meal treats (any value) accepted must also be declared in this form. The physical gifts valued at RM100 or more must be surrendered to HR within three (3) working days upon receipt of the same. HR will seek Managing Director’s direction on best way to dispose the gift.

For gifts worth less than RM100, the employee could accept the same with no declaration is required. As for hampers (any value), no declaration is required but the employee must share the hampers amongst colleagues/ placed at pantry or common areas.

All declarations (with or without any gift, including entertainment and corporate hospitality) must be submitted to HR on quarterly basis by the 7th of the following month and signed by the respective employee and HOD.

Example: Q1 declaration must be submitted to HR on/ before 7th April.

Employee Name						
Position						
Department						
Declaration Period (“x” the relevant period)	Q1	Q2	Q3	Q4	Year	

A. Without any gifts, entertainment, corporate hospitality, and meals to declare

I hereby confirm that to the best of my knowledge, there are no gifts, meals, entertainment and / or corporate hospitality items which I need to declare for this quarter.

.....
Date:

B. With entertainment, corporate hospitality, and meals to declare

Item Received	Description of Item (to include venue for meals)	Estimated/ Actual Value (RM)	Given By (Giver's name & organisation)	Remarks

I confirm that to the best of my knowledge, my declaration above is true, complete and is according to the prevailing "No-Gift Policy".

.....

Date:

Administrative		
HOD's Remarks		Name: Signature: Date:
HR's Remarks		Name: Signature: Date:
Operation Director's Remarks		Name: Signature: Date:

APPENDIX II: THIRD PARTY DECLARATION FORM

1. We are the bidder/ contractor/ vendor/ supplier/ solicitor/ agent/ consultant/ joint venture partner/ introducer/ government intermediaries of SK Kaken (M) Sdn Bhd.
2. We are fully aware that SK Kaken (M) Sdn Bhd is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships to counter bribery and corruption. As such, we hereby declare and confirm that we:
 - a) have read and understood the ABC Policy & Handbook obtained from the Company's website- www.skk.com.my
 - b) will comply with all applicable laws and regulations relating to SK Kaken (M) Sdn Bhd's Code of Conduct, and Whistleblowing Policy & Procedure.
 - c) are committed to promote the values of integrity, transparency, accountability and good corporate governance.
 - d) undertake to prevent corruption and fight against any form of corrupt practice.
 - e) support anti-corruption initiatives led by the government and the authorities.
3. We have not been convicted nor are we subjected to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report to SK Kaken (M) Sdn Bhd any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law immediately upon our knowledge of the same.
4. In the event, we are in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, we understand that the Company shall take the necessary actions against us and we shall fully indemnify the SK Kaken (M) Sdn Bhd against any claims, fines, losses and/or damages suffered by SK Kaken (M) Sdn Bhd arising from and out of our breach herein.
5. In the event that we are aware or suspect any person in SK Kaken (M) Sdn Bhd who had/may be in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, we shall inform SK Kaken (M) Sdn Bhd immediately through their whistleblowing channel at whistleblowing@skk.com.my and we will cooperate with SK Kaken (M) Sdn Bhd for any request of information, documents or assistance arising from the investigation of such breach.
6. We acknowledge that the provisions set out in this declaration form shall form part of the terms and conditions of our appointment and/ or contract of service.
7. We further acknowledge that SK Kaken (M) Sdn Bhd has the right to suspend or terminate the contract/ agreement/ job and disqualify us from tendering for future contracts/ jobs if we were

found to have breached the requirements or any other terms and conditions implemented by SK Kaken (M) Sdn Bhd pursuant to the contract/ agreement/ job.

Company's Name	
Name of Company's Authorised Person	
Signature of Authorised Person	
Company's Stamp	
Date	

APPENDIX III: NON-CONFLICT OF INTEREST WITH SK KAKEN (M) SDN BHD

NON-CONFLICT OF INTEREST WITH SK KAKEN (M) SDN BHD

I, *[insert names and identity card / passport numbers of the authorised person]*, being the authorised person of *[insert name of the company]* (Company No. *[.....]*), a company incorporated in Malaysia and having its registered office at *[insert registered address]* (the “Company”) have been duly authorised to affirm this Statutory Declaration for and on behalf of the Company.

We DO HEREBY SOLEMNLY AFFIRM AND DECLARE as follows:-

1	that none of the directors of the Company is a director of SK Kaken (M) Sdn Bhd;
2	that none of the directors of the Company is a shareholder of SK Kaken (M) Sdn Bhd;
3	that none of the directors of the Company is in the employment of SK Kaken (M) Sdn Bhd;
4	that none of the members of any of the Company’s director’s family is a director of SK Kaken (M) Sdn Bhd;
5	that none of the members of any of the Company’s director’s family is a shareholder of SK Kaken (M) Sdn Bhd;
6	that none of the members of any of the Company’s director’s family is in the employment of SK Kaken (M) Sdn Bhd;
7	that none of the shareholders of the Company is a director of SK Kaken (M) Sdn Bhd;
8	that none of the shareholders of the Company is a shareholder of SK Kaken (M) Sdn Bhd;
9	that none of the shareholders of the Company is in the employment of SK Kaken (M) Sdn Bhd;
10	that none of the members of any of the Company’s shareholder’s family is a director of SK Kaken (M) Sdn Bhd;
11	that none of the members of any of the Company’s shareholder’s family is a shareholder of SK Kaken (M) Sdn Bhd;
12	that none of the members of any of the Company’s shareholder’s family is an employee of SK Kaken (M) Sdn Bhd;
13	that none of the employees of the Company is a director of SK Kaken (M) Sdn Bhd;
14	that none of the employees of the Company is a shareholder of SK Kaken (M) Sdn Bhd;
15	that none of the employees of the Company is in the employment of SK Kaken (M) Sdn Bhd;
16	that none of the members of any of the Company’s employee’s family is a shareholder / director / employee of SK Kaken (M) Sdn Bhd.

Note:

- **“members of family”** shall include spouse, parents, spouse’s parents, children, siblings, and the spouse of such children and siblings (biologically and non-biologically).
- **“body corporate associated with the Company”** shall include a company / corporation: -

- a) which is the holding company of the Company; or
- b) which is the subsidiary company of the Company; or
- c) which is the subsidiary of the holding company of the Company; or
- d) which is, or the directors of which are, accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of the Company or of any directors or shareholders of the Company; or
- e) in accordance with the directions, instructions or wishes of which, or of the directors of which, the Company or any directors or shareholders of the Company is accustomed or under an obligation (whether formal or informal) to act; or
- f) which holds not less than 15% of the voting shares in the Company; or
- g) in which the Company holds not less than 15% of the voting shares; or
- h) which any of the said company/corporation's director, shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares in the Company; or
- i) in which any of the Company's director, shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares.

Company's Name	
Name of Company's Authorised Person	
Signature of Authorised Person	
Company's Stamp	
Date	

APPENDIX IV: EMPLOYEE DECLARATION OF CONFLICT OF INTEREST WITH THIRD PARTY

Name of Third Party:			
NO	QUESTION	YES	NO
1	Are you the director of the Third Party?		
2	Are you a shareholder of the Third Party?		
3	Is any member of your family a director of the Third Party?		
4	Is any member of your family a shareholder of the Third Party?		
5	Are you a director of any body corporate which is associated with the Third Party?		
6	Are you a shareholder of any body corporate which is associated with the Third Party?		
7	Is any member of your family a director of any body corporate which is associated with the Third Party?		
8	Is any member of your family a shareholder of any body corporate which is associated with the Third Party?		
9	Is any member of your family in the employment of the Third Party?		
10	Is any member of your family in the employment of any body corporate which is associated with the Third Party?		

Note:

- **“members of family”** shall include spouse, parents, spouse’s parents, children, siblings, and the spouse of such children and siblings (biologically and non-biologically).
- **“body corporate associated with the Company”** shall include a company / corporation:-
 - a) which is the holding company of the Company; or
 - b) which is the subsidiary company of the Company; or
 - c) which is the subsidiary of the holding company of the Company; or
 - d) which is, or the directors of which are, accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of the Company or of any directors or shareholders of the Company; or
 - e) in accordance with the directions, instructions or wishes of which, or of the directors of which, the Company or any directors or shareholders of the Company is accustomed or under an obligation (whether formal or informal) to act; or
 - f) which holds not less than 15% of the voting shares in the Company; or
 - g) in which the Company holds not less than 15% of the voting shares; or
 - h) which any of the said company/corporation’s director, shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares in the Company; or

- i) in which any of the Company's director, shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares.

Name	Position	Signature	Date
<i>[Employee's name]</i>			
<i>[HOD's name]</i>			
<i>[Compliance Officer's name]</i>			

APPENDIX V: CLIENT'S ANNUAL DECLARATION FORM

CLIENT'S ANNUAL DECLARATION FORM

(Integrity and Anti-Corruption)

1. We are the client/ customer of SK Kaken (M) Sdn Bhd.
2. We hereby declare that we:
 - a) have read and understood the ABC Policy & Handbook obtained from the Company's website www.skk.com.my
 - b) will comply with all applicable laws and regulations relating to SK Kaken (M) Sdn Bhd's Code of Conduct, and Whistleblowing Policy & Procedure.
 - c) are committed to promote the values of integrity, transparency, accountability and good corporate governance.
 - d) undertake to prevent corruption and fight against any form of corrupt practice.
 - e) support anti-corruption initiatives led by the government and the authorities.
3. We have not been convicted nor are we subjected to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report to SK Kaken (M) Sdn Bhd any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law immediately upon our knowledge of the same.
4. In the event that we are aware or suspect any person in SK Kaken (M) Sdn Bhd who had/may be in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, we shall inform SK Kaken (M) Sdn Bhd immediately through their whistleblowing channel at whistleblowing@skk.com.my and we will cooperate with SK Kaken (M) Sdn Bhd for any request of information, documents or assistance arising from the investigation of such breach.
5. We acknowledge that the provisions set out in this declaration form shall form part of the terms and conditions of our appointment and/ or contract of service.
6. We further acknowledge that SK Kaken (M) Sdn Bhd has the right to suspend or terminate the contract/ agreement/ job if we were found to have breached the requirements or any other terms and conditions implemented by SK Kaken (M) Sdn Bhd pursuant to the contract/ agreement/ job.

Company's Name	
Name of Company's Authorised Person	
Signature of Authorised Person	
Company's Stamp	
Date	

APPENDIX VI: DUE DILIGENCE CHECKLIST ON THIRD PARTY

If the answer to any of the checklist below is **YES** then the respective department or the Compliance Officer have to be satisfied that all of the red flags are sufficiently mitigated. Kindly tick N/A (not applicable) if any of the checklist is not relevant/ applicable to your assessment.

NO.	DESCRIPTION	YES	NO	N/A
Politically Exposed Person / Company ("PEP")				
1	Is the third party classified as a PEP?			
2	Are the owners, directors, shareholders, officers or any employees of the third party a current or former PEP?			
3	Is the third party is recommended by a PEP?			
4	Is the third party relying on a PEP in order to perform the work / contract?			
Competency of the Third Party				
1	The third party does <u>not</u> have sufficient experience in the industry where the services will be provided			
2	The third party does <u>not</u> have all the relevant qualifications to provide the services required under the contract			
3	The third party is <u>not</u> charging a fair market price for their services			
4	The third party does <u>not</u> have a business presence in the country where the services are to be provided			
5	The value of the contract secured is <u>not</u> reasonable			
6	The third party was <u>not</u> selected in a transparent way			
Payment of Contract				
1	Are there any payments that are not transparent where it is not clear who the payment is being paid to or why?			
2	Is there anything unusual about the frequency of payments?			
3	Are there any urgent requests for payments or unusually high commissions?			
4	Are there any request for payments to be made in cash, to a third party, or to different country?			
5	Has the third party requested for any payment besides what is stated in the contract?			
Public Record Resources: History of Corruption and Adverse News				
1	Are you aware if there has been any allegation/ evidence of corrupt activities on the third party or any of its employees?			
2	Has there been any adverse news related to the third party?			
Reputation and Corporate Governance				
1	Are there suspicions that the third party is not honest in its business dealings			
2	The third party does <u>not</u> have a policy and/ or SOP on integrity and anti-corruption (or equivalent)			
3	Does the third-party refuse to provide the third-party declaration?			
4	Is there indication of non-compliance of any laws in Malaysia by the third party?			
5	Does the third party has associates or subsidiaries in any tax haven countries?			
6	Are there indication that the third party has been dealing with high in corruption index countries (e.g., Sudan, Syria, Afghanistan, Yemen)?			