



# **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

**SKB SHUTTERS CORPORATION BERHAD  
SKB SHUTTERS MANUFACTURING SDN. BHD.  
SKB STORAGE INDUSTRIES SDN. BHD.  
SKB SHUTTERS INDUSTRIES SDN. BHD.  
SKB SHUTTERS (S) PTE. LTD.**

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## INTRODUCTION

### Core Principles

SKB Shutters Corporation Berhad and its subsidiaries' (also referred to as "SKB") Anti-Bribery & Anti-Corruption Policy elaborates on principles of bribery and other corrupt practices that may arise in the course of business. The implementation of the Anti-Bribery Management System ("ABMS") consists of a set of policies and procedures established to manage bribery and corruption risk within the organisation. SKB is committed in adhering to the highest integrity and honesty when carrying out its duty with external and internal stakeholders. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. We assure that employees who refuse to subject themselves to any form of bribes or participate in acts of corruption will not be penalised even if such refusal may result in the company losing its business or not meeting its targets. The SKB Anti-Bribery & Anti-Corruption Policy and Guidelines describes these principles, providing guidance to employees with regards to improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

## **REGULATORY REQUIREMENT**

### **Malaysian Anti-Corruption Commission Act (“MACCA”) 2009**

The Malaysian Anti-Corruption Commission Act 2009 is a Malaysian law which is enacted to provide for the establishment of the Malaysian Anti-Corruption Commission, to make further and better provisions for the prevention of corruption and for matters necessary thereto and connected therewith.

### **Malaysian Anti-Corruption Commission Act 2018**

The Malaysian Anti-Corruption Commission Act was amended in 2018 to introduce corporate liability for corruption offences, which applies to Malaysian commercial organisations.

### **Penal Code**

The Penal Code (Act 574) covers a very wide range of offences including those by public servants, specifically mentioned under Chapter IX Section 161, 162, 163, 164 and 165 that would take public servants to task for offences that are related to corruption.

## **APPLICATION AND DEFINITION**

### **Corporate Governance**

This Policy is applicable to SKB Shutters Corporation Berhad, its Controlled Organisations, Business Associates acting on SKB's behalf, the Board of Directors and all SKB's Employees and shall be amended from time to time in line with laws and regulatory requirements. This Anti-Bribery & Anti-Corruption Policy sets out SKB's principles in dealing with improper solicitation, bribery and other corrupt activities and related issues that may arise in SKB's course of business. This Policy should be read in conjunction with SKB's various policies & guidelines. This Policy and Procedure is not intended to provide definitive answers to all questions regarding Bribery and Corruption, but is instead envisioned to provide a basic introduction to how the Group combats bribery and corruption in furtherance of its commitment to lawful, fair and ethical behaviour at all times, in addition to being designed to avoid situations in which bribery and corruption may take root. Failure to comply with this Policy and Procedure, whether intentional or not, may lead to disciplinary action and criminal liability for the employees involved.

## Definitions

**Bribery:** Bribery is defined as any action which would be considered as an offence of giving or receiving 'gratification' under MACCA. In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organisation.

**Business Associate:** An external party with whom the organisation has, or plans to establish, some form of business relationship. This primarily include Counterparties and Business Partners, i.e. clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

**Corruption:** The Transparency International definition of corruption is 'the abuse of entrusted power for personal gain.' For the purpose of this policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving gratification under the MACCA ('Bribery' as defined above). In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

**Conflict of interest:** When a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making of the Group.

**Donations and Sponsorship:** Charitable contributions and sponsorship payment made to support the community.

**Directors:** Directors include all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors.

**Employees:** All individuals directly contracted to the Group on an employment basis, including permanent and temporary employees and Directors.

## Objectives

This Policy sets out SKB's overall position on bribery and corruption in all its forms. The Policy is not intended to be exhaustive as there may be additional obligations that the Employee is expected to adhere to or comply with when performing their duties. For all intents and purposes, the Employees shall always observe and ensure compliance with this Policy and all applicable laws, rules and regulations in the performance of their duties.

## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

### Anti-Bribery Risk Assessment:

Risk assessment is a continuing procedure which gives a company a systematic and prioritised view of where the significant inherent bribery risks lie. The results of risk assessments will be used to design the controls to mitigate the prioritised bribery risks. The process is critical as the information gained through risk assessment will shape the design of the anti-bribery programme and ensure through repeated risk assessments that the design is always valid and being improved.

### Six Stages of a Risk Assessment Exercise:

**Six stages are identified for the anti-bribery risk assessment process as stated below:**

- 1. Ensure top level commitment and oversight:** Top level commitment is key to effective risk management. The board and senior management provide leadership and commitment to drive adequate and continuing risk assessment and ensure the process does not falter or lose quality.
- 2. Plan, scope and mobilise:** The planning stage prepares the ground for the risk assessment process. A planning team should consider the following aspects: appointing the project lead, defining stakeholders, allocating team responsibilities, identifying information sources drafting plan for risk assessment, communicating plan and requirements to those involved in the exercise.
- 3. Gather information:** Create a comprehensive catalogue of inherent bribery risks to which the company could plausibly be exposed by virtue of the nature and location of its activities.
- 4. Identify the bribery risks:** The objective of this stage is to identify and examine the activities and risk factors that could increase the company's exposure to bribery risk.
- 5. Evaluate and prioritise the risks:** The risk evaluation stage analyses and prioritises the forms of bribery identified in stage 3 taking into account the risk factors in stage 4. Common practice is to apply two variables to prioritise risks: likelihood of occurrence and the potential adverse impact.
- 6. Use the output of risk assessment:** The results of risk assessments are applied to a review of the anti-bribery programme and the extent to which existing controls need modification or additions.



## Gift, Hospitality, Entertainment, Donation Other Benefits

SKB's employee are prohibited from directly, or indirectly, receiving or asking for (soliciting) gifts which include cash or cash equivalent in the form of gift certificates, loans, commissions, coupons, discounts or any other related forms. It is the responsibility of the Employee to inform external parties involved in any business dealings with SKB that SKB has restrictions in its gift policy and to request the external party's understanding to adhere to the said policy.

Although the general principle is to immediately refuse and return gifts offered by the external party, accepting or receiving a gift on behalf of SKB may be allowed only under limited circumstances as follow:

1. **Gift** not exceeding RM1000 in a single receipt<sup>1</sup>. In cases where gifts to be offered are more than the prescribed value, directors, employees, family members or agents working on behalf of the Group are required to record the details of the gift in "**Gift Giving Approval Form**" and obtain pre-approval from an Executive Director. However, none of the Executive Director shall approve gift to be offered and received by him/herself and shall seek approval from another Director.

If approval is not obtained, no gifts shall be allowed to the external party.

2. **Corporate hospitality and entertainment** include hosting of functions and provision of accommodation for business partners. In ordinary course of business, directors, management and employee may provide or receive hospitality and entertainment to /from business partners within the amount of RM 1,000.00 (the "prescribed limit") in a single receipt per person or per party (if 2 or more person of external parties is involved at the specific occasion or accommodation expense during offered stay). If hospitality and entertainment to be offered are more than the prescribed amount, the details and reason of providing or receiving the hospitality and entertainment shall be documented in "**Corporate Hospitality & Entertainment Activity Form**" and approved by an Executive Director or other Executive Director, if he/she is the offeror.
3. **Donations** are monetary benefits or equivalent, equipment, or other benefits or contribution to a fund and charity causes as part of our Group's CSR. The Group will only donate to government agencies and non-governmental organisations for recreational and religious activities and events, charitable organisations, schools and associations. Similar with sponsorship, all donations made should be approved and documented.

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<sup>1</sup> The Group must also ensure that all Gift, Hospitality, Entertainment, Donation and Other Benefits received exceeding the amount of RM1,000.00 and approved or allowed under the circumstances that reporting manager the intention of gift to be cleared of any suspicion of bribery and corruption and in any way influence a decision relating to both the receiving and offering person and its authority must be recorded in the register in a timely manner.

4. **Sponsorship** such as sponsoring for sport competitions, functions and any other events or activities is part of the Group's corporate social responsibility ("CSR"). All sponsorship provided should be approved by the Group Managing Director and supported with documentation.
5. Customary and lawful under the circumstances;
6. Do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions;
7. No expectation of any specific favour or improper advantages from the intended recipients;
8. Independent business judgment of the intended recipients not affected;
9. No corrupt / criminal intent involved; and
10. Gift and Hospitality to be done in an open and transparent manner. When in doubt, Employee is to consult the reporting manager or Human Resource.

If a gift, entertainment or hospitality is intended for public officials, Employee must ensure that the gift, entertainment or hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity subject to the limit referred above.

If a Business Associate offers an Employee a gift which falls outside description mentioned above, Employee shall politely decline and explain the rules in force in SKB. Subject to point mentioned above, the Employee may accept the gift on SKB behalf and hand over the gift to the Management Team who may decide that the gift be given to charity, included in a festive draw within the departments or share with other employees in the department.

## Referral Payment Policy

Referral payment refers to referral fee, commission or benefit offered in regards to securing projects and business opportunities both locally in Malaysia and Outside of Malaysia.

No directors, officers, management and employees or their immediate family members shall request or receive any referral fee, commission or benefit from our business associates on personal capacity.

The Group also prohibits referral payment to government officials and individuals representing regulatory authorities.

Referral payments for securing projects and business opportunities shall not exceed 3% of the value of the underlying agreement or arrangement. Any referral payment above this percentage shall be subject to Group Managing Director's approval.

On the other hand, referral payment for securing customer and employee shall not be more favourable than the market and industry practices.

## Facilitation Payment Policy

All directors, management and employees of the Group should follow strict compliance of all internal and external procedural requirements and shall not breach any procedural requirements to expedite application and approval processes for business dealings and transactions.

On the other hand, all directors, management and employees are prohibited to accept payments and benefits for facilitation from any business associates or agents.

## SKB WHISTLEBLOWING POLICY

### Reporting and Investigation (Whistle Blowing)

#### Reporting

Employees who encounter actual or suspected violations of this Policy are required to report their concerns. Each Employee has a responsibility to ensure that suspected bribery and corruption incidents are reported promptly. The Company practices an open-door policy and encourages all Employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner. The Human Resources Department sets out secured whistleblowing channels below: -

| NO. | WHISTLEBLOWING CHANNELS                                       | DETAILS  |
|-----|---|--|
| 1.  | Email   | skb@whistleblower.com.my   |
| 2.  | Calls   | +6 03-6157 2277  |
| 3.  | Letters to SKB Board Chairman or SKB Audit Committee Chairman | PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur. |

Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

## Investigation (Whistleblowing)

All complaints will be investigated. The Internal Auditors shall review each claim and pursue it to the extent that the information and evidence received allows. The Internal Auditors shall begin preliminary investigations to establish whether the claim has merit and can be substantiated.

However, the Board Chairman or the Audit Committee Chairman may individually or jointly seek assistance from external resources when conducting his/her investigation at the cost of the Group. Upon completion of investigation, the Board as a whole shall collectively decide the appropriate actions for:

1. Informing the whistle-blowers, the status of the findings;
2. Initiating disciplinary action against any persons who has committed improper conducts;
3. Making a police report where the improper conduct constitutes a criminal offence; and
4. Recommending steps to be implemented to prevent similar situation from repeating in the future.

## Procedural Matters

The objective of this whistle blowing policy and procedure is to provide guidance and comfort to whistle blowers for reporting any wrongdoings and violation of the Code of Conduct and Ethics: -

1. The whistle blower may identify himself or herself or remain anonymous when reporting suspected and/or known misconduct and wrongdoings;
2. The identity of the whistle blower and all concerns raised would be treated as private and confidential in order to protect the whistle blower from victimisation or harassment arises from the reporting. However, the whistle blower may be required to come forward as a witness in accordance with any applicable laws and regulations;
3. Whistle blower and any persons related or associated with the whistle blower are protected against any detrimental action in reprisal for whistle blowing improper conducts. However, this protection would not be extended to person who maliciously raises matter he/she knows is untrue; and
4. Any employee reporting on any concern must make it in good faith with reasonable belief that it is true, without malicious or false allegation and not for personal gain. Any employee found to make false and malicious allegation shall be subjected to disciplinary actions by the Company and/or legal action by the Company.

## Due-Diligence Checklist

SKB is committed to conducting due diligence checks on prospective Employee, particularly as it relates to appointments to positions where bribery or corruption risk has been identified. The extent of the due diligence should be based on a Bribery and Corruption risk assessment. **Due diligence may include a search through relevant databases, checking for relationships with public officials, self-declaration, and documenting the reasons for choosing one particular Business Associate over another.** The results of the due diligence process must be documented, retained for at least **1 year** and produced on request by the custodian of the process. SKB shall include standard clauses in all contracts with Business Associates enabling SKB to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for Business Associates acting on SKB behalf where bribery risk has been identified.

## **RECORD KEEPING**

The Group would keep and maintain data, record and documents in accordance with statutory and regulatory requirements. The Group would have appropriate internal controls in place to safe-keep, archival, retrieval, retain and store proper records. The Group must also ensure that all Gift, Hospitality, Entertainment, Donation and Other Benefits received exceeding the amount of RM1,000.00 and approved or allowed under the circumstances that reporting manager the intention of gift to be cleared of any suspicion of bribery and corruption and in any way influence a decision relating to both the receiving and offering person and its authority must be recorded in the register in a timely manner.

All Employees shall certify in writing that they have read, understood and will abide by this Policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the Employee's employment.