



POWERWELL HOLDINGS BERHAD
Registration No. 200101009151 (544907-X)
(Incorporated in Malaysia)

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

1. Purpose

- 1.1** The purpose of this Anti-Fraud, Bribery and Corruption Policy (“**Policy**”) is to set out Powerwell Holdings Berhad’s (“**Powerwell**” or “**the Company**”) stance on fraud, bribery and corruption, which is applicable to Powerwell and its subsidiaries (“**the Group**”).
- 1.2** It also exists to act as a source of information and guidance for those working for the Group. It helps them recognise and deal with bribery and corruption issues, as well as understand their responsibilities.

2. Background

- 2.1** The Group is committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the Group’s daily operations. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. Each employee shall uphold high levels of personal and professional values in all business interactions and decisions.
- 2.2** The nature of the Group’s business requires its employees to engage in business with a wide range of parties, both internal as well as external. This Policy establishes the boundaries on interactions with all parties.
- 2.3** This Policy also provides guidance on how to act when subjected to potential acts of bribery and matters of corruption. This Policy shall be read in conjunction with the Powerwell’s Code of Business Conduct and Integrity Policy and the Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendment (“**MACCA**”). This Policy is not intended to be exhaustive as it may be expected for additional obligations to be adhered to.

3. Policy Statement

- 3.1** The Group has a ‘zero tolerance’ policy towards fraud, bribery and corruption. This means that it does not accept any level of fraud, bribery or corruption within the organisation.
- 3.2** It will always seek to take disciplinary and /or legal action against those found to have perpetrated, be involved in, or assisted with the fraudulent or other improper activities.
- 3.2** The Group requires all employees to act honestly and with integrity at all times, and must immediately report any incident or suspicion of fraud, bribery or corruption. Anyone raising a concern in good faith will not be penalised.

3.3 All reports of fraud, bribery and corruption will be taken seriously, and be investigated fairly and appropriately.

4. Scope

4.1 This Policy is applicable to all Employees of the Group, including external parties such as suppliers, contractors, consultants and/or any other party with a business relationship with the Group.

4.2 The Human Resource Manager will make aware of this Policy to all Employees. For external parties mentioned in point 4.1 above, it will be made known as and when necessary by the employees that interacts with them.

5. Definitions

5.1 For the purpose of this Policy, the following definitions are adopted:

Bribery	<p>Bribery is defined as any action which would be considered as an offence of giving or receiving ‘gratification’ under MACCA.</p> <p>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.</p> <p>‘Gratification’ is defined in the MACCA to mean the following:</p> <ul style="list-style-type: none"> (a) <i>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;</i> (b) <i>any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</i> (c) <i>any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</i> (d) <i>any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</i> (e) <i>any forbearance to demand any money or money’s worth or valuable thing;</i> (f) <i>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</i> (g) <i>any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</i>
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	<p><i>Bribery may be ‘outbound’, where someone acting on behalf of the company attempts to influence the actions of someone external, such as a Government official or client decision-maker.</i></p> <p><i>It may also be ‘inbound’, where an external party is attempting to influence someone within the company such as a decision-maker or someone with access to confidential information.</i></p> <p><i>Bribery and corruption are closely related. However, corruption has a wider remit. See ‘Corruption’ definition below.</i></p>
Business Associate	<p>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 (ISO 37001 definition).</p>
Corruption	<p>The Transparency International definition of corruption is ‘the abuse of entrusted power for personal gain.’</p> <p>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).</p> <p>In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.</p>
Conflict of interest	<p>When a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making of the Group.</p>
Donations and Sponsorship	<p>Charitable contributions and sponsorship payment made to support the community.</p>
Directors	<p>Directors include all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors.</p>
Exposed Position	<p>An employee position identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited to any role involving procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the company has identified as vulnerable to bribery.</p>

Facilitation payment	A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.
Corporate Gift	<p>Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift.</p> <p>Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the company's brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the company name and logo and are of nominal value.</p> <p>Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates.</p>
Personal Gift	Something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties. Personal gifts may include cash, cash equivalents such as credit cards, bitcoin or savings accounts, electronic items, watches, luxury pens, property, vehicles, free fares, shares, interest free loans, lottery tickets, travel facilities, entertainment, services, club memberships, any forms of discount or commission, jewellery, decorations, souvenirs, vouchers or any other valuable items.
Employees	All individuals directly contracted to the company on an employment basis, including permanent, probationary, contract and temporary employees and Directors.

6. Compliance to the Law

- 6.1** The Group is committed to conducting its business ethically and in compliance with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the MACCA (including any amendment thereof). The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.
- 6.2** In cases of conflict between mandatory law and the principles contained in this Policy, the law shall prevail.

7. Gifts, Entertainment and Travel and Donation and Sponsorship

7.1 The Group prohibits both the giving and receiving of Gifts, Entertainment and Travel (“GET”) and Donation and Sponsorship (“D&S”) to influence business decisions. Employees must comply with all applicable policies, procedures, laws and regulations related to the use of GET in all countries in which the company operates.

7.2 It is acknowledged that the practice of business gifts and donation varies between countries, and what may be deemed as acceptable in one country may not be in another. Divisions and/or Regions are therefore encouraged to develop further guidelines cascading from this Policy, to streamline thresholds and develop specific requirements applicable to the respective Division/Region.

7.3 The Group allows appropriate business-related GET. Reasonable GET is acceptable provided that the following guiding Principles are observed:

Principle 1: Transparency

You should be comfortable to disclose to your colleagues the GET and D&S that you offered/received.

Principle 2: Recipients

You should only offer/accept GET and D&S to/from those who will not put you in a position of conflict.

Principle 3: Ability to Influence

The GET and D&S must not be offered/accepted when there is a pending business decision.

Principle 4: Value

The GET and D&S must be modest and must not be so frequent as to place the recipient under an obligation.

Principle 5: Purpose

The intention behind the GET and D&S must not be interpreted as to gain unmerited advantage.

7.4 Where possible, Employees should avoid from offering and/or accepting GET and D&S to/from government officials. If a gift is deemed appropriate, a Corporate Gift for a specific purpose is encouraged as opposed to a Personal Gift. GET must be reasonable and proportionate to the income of the Government official such that the no obligation is created by the provision of the hospitality resulting in a decision to the advantage of the business. All offers and acceptance of GET and D&S involving government officials must be approved by the relevant decision-makers according to their Limits of Authority (“LOAs”). The GET and D&S must also be declared in the register.

7.5 If a Division/Region has established LOAs and guidelines on GET and D&S, GET and D&S in excess of such LOAs must be properly documented and retained in a register, available for audit purposes.

7.6 In respect of political contributions, funds or resources of the Group must not be used to make any direct or indirect political contributions on behalf of the Group without approval from the Board. Any appearance of making such contributions or expenditure to any political party, candidate or campaign, must also be avoided. However, this Policy does not prohibit the Directors, Employees and Business Associates from making any personal political donations.

7.7 Donations in the form of charity may be permissible depending on the circumstance but should be made directly to an official entity and be able to be disclosed publicly when required to.

7.8 Discounts, provisions of free products and services, provision of vehicles at discounted or zero cost rates, servicing and other provisions are not permitted in exchange for undue influence.

7.9 Where GET and/or D&S and/or the development of Divisional/Regional cascaded guidelines are not immediately apparent, the Human Resource Manager shall be consulted.

8. Facilitation Payments

8.1 The Group adopts a strict stance that disallows facilitation payments.

8.2 Employees must notify their immediate superior when encountered with any requests for a facilitation payment. In addition, if a payment has been made and Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. They must also ensure that the payment has been recorded transparently.

8.3 The Group equally uphold the safety of all Employees as priority. In the event that an Employee's safety is at stake, a facilitation payment to protect the Employee is permitted if: -

- i. that is the immediate available recourse to protect the safety of the Employee;
- ii. the Managing Director / Chief Executive Officer's approval has been obtained; or, payment under the state of emergency had been undertaken, after which the Managing Director / Chief Executive Officer's approval must be retrospectively obtained as soon as possible.

9. Business Associates

9.1 As part of the Group's commitment to combat bribery, the Group expects all Business Associates to refrain from bribery.

9.2 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.

9.3 The Group expects all Business Associates acting on behalf the company to contractually agree to refrain from bribery and corruption, and to adhere to the Vendor Code of Business Conduct ("COBC").

- 9.4** If the Group is not satisfied that bribery and corruption prevention has been upheld, due diligence shall be undertaken with regards to any Business Associate intending to act on the Group's behalf.
- 9.5** The extent of the due diligence should be risk-based and shall include a bribery risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another.
- 9.6** The Group shall endeavour to include clauses in all contracts enabling the company to terminate any contract in which bribery or corruption has been observed.
- 9.7** Guidance and standards for appropriate practices and behaviours are expected to also be regulated to prevent corrupt practices. These are addressed in the Vendor COBC Framework. Where the requirements may not be immediately apparent, Human Resource Manager shall be consulted.
- 9.8** The Vendor COBC provides guidance to Vendors on the required standards and code of conduct when engaging in business dealings with the company. All vendors are expected to adhere to the Vendor COBC and declare compliance to the Vendor COBC via the Vendor Letter of Declaration. Where the requirements may not be immediately apparent, the Human Resource Manager shall be consulted.

10. Employee Responsibilities

- 10.1** As an employee of the Group, you must ensure that you read, understand, and comply with the information contained within this Policy, and with any training or other anti-bribery and corruption information you are given.
- 10.2** All employees and those under our control are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.
- 10.3** If you have reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, you must notify the Human Resource Manager.
- 10.4** If any employee breaches this Policy, they will face disciplinary action and could face dismissal for gross misconduct. The Group has the right to terminate a contractual relationship with an employee if they breach this Policy.

11. Conflict of Interest

- 11.1** Conflicts of interest arise in situations where there is a personal interest that might be considered to interfere with that person's objectivity when performing duties or exercising judgement on behalf of the Group. Employees should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties. Employees must not use their position, official working hours, company resources and assets for personal gain or to the company's disadvantage.

11.2 In situations where confronted with such conflict, Employees are required to disclose it to Line Manager and/or the Human Resource department to resolve the situation in a fair transparent manner.

12. Training and Communication

12.1 The Group will provide training on this Policy as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this Policy, and will be asked annually to formally accept that they will comply with this Policy.

12.2 The Group's Policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners, and any third-parties at the outset of business relations, and as appropriate thereafter.

12.3 The Group will provide relevant anti-bribery and corruption training to employees etc. where we feel their knowledge of how to comply with the Bribery Act needs to be enhanced. As good practice, all businesses should provide their employees with anti-bribery training where there is a potential risk of facing bribery or corruption during work activities.

13. Anti-bribery and Anti-Corruption Compliance

13.1 Human Resource Manager shall have the oversight of the implementation of compliance controls related to this Policy.

13.2 Human Resource Manager shall conduct regular risk assessments to identify the bribery and corruption risks potentially affecting the company. Human Resource Manager shall also review the suitability of this Policy from time to time, taking into account relevant developments in the legislature as well as evolving industry and international standards.

13.3 Human Resource Manager shall be the independent authority to act effectively against bribery, including initiating investigations deemed necessary based on reasonable cause for suspicion. Human Resource Manager shall maintain a direct reporting line to the company Management Team as well as the Board of Directors of Powerwell.

13.4 Human Resource Manager shall implement and effectively manage routine anti-bribery and anti-corruption measures as deemed appropriate to ring-fence the organisation against possible legislative liabilities, as well as undertake ad-hoc measures deemed required based on circumstantial requirements that presents during the course of operations.

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14. Reporting of Policy Violations

- 14.1** Employees who encounter actual or suspected violations of this Policy are required to report their concerns via the appropriate channels as set out in the Group's Whistleblowing Policy. Each Employee has a responsibility to ensure that suspected-bribery and corruption incidents are reported promptly. The Group practices an open-door policy and encourages all Employees to share concerns and suggestions with Line Manager or the appropriate members of the Top Management who are able to address them in an appropriate manner.
- 14.2** 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.
- 14.3** No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.

15. Review of the Policy

- 15.1** The Group will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.