



ANTI-BRIBERY AND CORRUPTION POLICY

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1. INTRODUCTION

Corruption is any unlawful or improper behaviour that seeks to gain an advantage through illegitimate means. Bribery, abuse of power, extortion, fraud, deception, collusion, cartels, embezzlement and money laundering are all forms of corruption. Bribery means giving or receiving an unearned reward to influence someone's behaviour.

The Anti-Bribery and Corruption Policy (“**ABC Policy**” and/or “**Policy**”) has been developed as part of the Y&G’s Anti-Bribery Management System. Having a clear and unambiguous policy statement on Y&G’s position regarding bribery and corruption forms the cornerstone of an effective integrity management system. The Policy should thus be read in conjunction with Y&G’s various policies & guidelines. If multiple documents speak on the same subject, then the more stringent provision shall always apply.

2. ANTI-BRIBERY AND CORRUPTION COMMITMENT

Y&G Group is committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in Y&G’s daily operations.

Y&G Group has adopted a zero-tolerance approach against all forms of bribery and corruption. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business.

The Policy leverages on the values and core principles set out in the Code of Conduct and Ethics. Full compliance to the spirit is mandatory and should be maintained using a principle-based approach.

3. OBJECTIVE

The Policy sets out Y&G Group’s overall position on bribery and corruption in all forms.

4. SCOPE

The Policy is applicable to Y&G, its Controlled Organisations, Y&G Personnel and its Business Associates Acting on Behalf of Y&G.

Joint-venture companies in which Y&G has non-controlling interest or co-venture and associated companies are encouraged to adopt these or similar principles. Other external providers are also expected to comply with the Policy in relation to all work conducted with Y&G.

5. REFERENCES

ISO 37001:2016 Anti-Bribery Management System

Code of Conduct and Ethics (“Code”)

6. DEFINITIONS

"ABMS" means Y&G's Anti-Bribery Management System;

"Audit and Risk Committee" means the Audit and Risk Committee of Y&G;

"Bribery & Corruption" means any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (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 who is in a position of trust within an organisation;

Bribery may be 'outbound', where someone acting on behalf of Y&G attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be 'inbound', where an external party is attempting to influence someone within Y&G such as a senior decision-maker or someone with access to confidential information;

"Gratification" is defined in the MACCA to mean the following:

- (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- (e) any forbearance to demand any money or money's worth or valuable thing;
- (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f);

"Business Associate" means an external party with whom Y&G has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors;

For Business Associate authorized by Y&G to act on its behalf when dealing with another party, they are regarded as **“Business Associate Acting on Behalf of Y&G”**;

“Conflict of Interest” means when a person’s own interests either influence or have the potential to influence, or are perceived to influence their decision making at Y&G;

“Controlled Organisation” means an organization where Y&G has the decision-making power over that organisation such that it has the right to appoint and remove the management. This would normally be where Y&G has the controlling interest (>50% of the voting share ownership) such as subsidiaries, but it could be where there is an agreement in place that Y&G has the right to appoint the management, for example a joint venture where Y&G has the largest (but still < 50%) allocation of the voting shares;

“Corporate Gift” means something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. 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 Y&G’s brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear Y&G’s name and logo. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads and plaques. For value above RM1,000.00, it must be declared to HRGA Department as stipulated in Section 18.2;

“Donation & Sponsorship” means charitable contributions and sponsorship payments made to support the community. Examples include sponsorship of educational events, supporting NGOs, and other social causes;

“Exposed Position” means a staff position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving: procurement or contract management; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which Y&G has identified as vulnerable to bribery;

“HRGA Department” means the department in-charge of Human Resources and General Administration;

“Hamper” is given or received as a customary practice during the festive seasons. For value above RM1,000.00, it must be declared to HRGA Department as stipulated in Section 18.2;

“Hospitality” means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included;

“Top Management” means any of Y&G’s Executive Directors and Key Senior Management, individually or collectively;

“Y&G” or “Y&G Group” means Y&G Corporation Bhd and its subsidiaries;

“Y&G Personnel” means all individuals directly contracted to Y&G Group and the Controlled Organization on an employment basis (both permanent and temporary) and the Directors (both executive and non-executive).

7. ANTI-BRIBERY AND CORRUPTION POLICY

7.1 Bribery and corruption in all forms are prohibited.

7.2 Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment.

Y&G Personnel and Business Associates Acting on Behalf of Y&G shall not therefore, whether 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 Y&G or the persons involved in the transaction.

7.3 The Policy applies equally to its business dealings with commercial (‘private sector’) and Government (‘public sector’) entities, and includes their directors, personnel, agents and other appointed representatives. Even the possible appearance of bribery or corruption is to be avoided, in particular when dealing with Government officials.

7.4 The Policy applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.

7.5 No employee or external party shall suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

7.6 Y&G is also committed to conducting reasonable due diligence checks on its prospective personnel, particularly when it relates to appointment to position where a more than minor bribery or corruption risk has been identified.

8. RECOGNITION OF LOCAL LEGISLATION

8.1 Y&G is committed to conducting its business ethically and in compliance with all applicable laws and regulations where it does business.

8.2 These mandatory laws include, but are not limited to, the Malaysian Penal Code (revised 1977) (and its amendments), the MACCA (and its amendments), and the Companies Act 2016. These laws prohibit bribery and acts of corruption, and mandate that companies shall establish and maintain accurate books and records and sufficient internal controls.

8.3 In cases where there is a conflict between mandatory laws and the principles contained in this and other policies, the laws shall prevail.

9. GIFTS, DONATIONS AND SPONSORSHIPS

9.1 Y&G Personnel is prohibited from receiving or asking for (soliciting)/ giving gifts from/to external parties. Under no circumstances may Y&G Personnel accepts/ offers gifts in the form of cash or cash equivalent, including gifts, certificates, loans, commissions, coupons, discounts or any other related forms.

- 9.2 The form of gift giving/acceptance allowed to/from external parties is Corporate Gift and/or Hamper only.
- 9.3 Any other gift giving/acceptance or event of hospitality is subject to approval from Top Management (upon the recommendation of Head of Department) and must fulfill the following conditions:
- a) They are limited, customary and lawful under the circumstances;
 - b) They do not have or are perceived not to have (by either the receiver or the giver), any effect on actions or decisions;
 - c) There must be no expectation of any specific favour or improper advantages from/to the intended recipients/givers;
 - d) The independent business judgment of the intended recipients must not be affected;
 - e) There must not be any corrupt / criminal intent involved;
 - f) The receiving/giving out of the gift and hospitality must be done in an open and transparent manner; and
 - g) To declare to the HRGA Department, regardless of the amount, as stipulated in Section 18.2.
- 9.4 Whether the Corporate Gift, Hamper, other form of gift acceptance or event of hospitality is attention to Y&G or Department or Y&G Personnel, it is given or extended in view of the individual's position with Y&G, thus it belongs to Y&G and the Policy shall come into effect.
- 9.5 Donations and sponsorships are permitted with the approval from the Top Management (upon the recommendation of Head of Department) but Y&G prohibits the giving and receiving of donations and sponsorships to influence business decisions. Proper record keeping should be maintained as stipulated in Section 18.1 and be declared to HRGA Department for recording into the Anti-Bribery and Corruption Register ("**Register**"), regardless of the amount paid, as stipulated in Section 18.2.

10. FACILITATION PAYMENTS

- 10.1 Y&G adopts a strict policy of disallowing the use of facilitation payments in its business. Facilitation payment is a payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function.
- 10.2 Personnel shall decline to make the payment and report to their Head of Department immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been accidentally made and Personnel is unsure of the nature, the Head of Department must be notified immediately who shall then report immediately to the Top Management, regardless of the amount paid.

- 10.3 Only in the event that an employee's security is at stake, it is permitted to make the payment. The employee must immediately report the incident to their Head of Department who shall then report immediately to the Top Management, regardless of the amount paid.
- 10.4 The facilitation payments made under Section 10.2 and 10.3 shall, upon the Top Management's notation then be reported by the Head of Department to the HRGA Department for recording into the Register, regardless of the amount paid, as stipulated in Section 18.2.

11. SUPPORT LETTERS

Y&G awards contracts and employment positions purely on a merit basis. Therefore, support letters in all forms shall not be recognized as part of the business decision-making process.

12. RECRUITMENT, PROMOTION AND SUPPORT OF PERSONNEL

- 12.1 Y&G recognizes the value of integrity in its Personnel and Business Associates. Y&G's recruitment, training, performance evaluation, remuneration, recognition and promotion for all Y&G Personnel, including management, shall be designed and regularly updated to recognize integrity.
- 12.2 Y&G does not offer employment to prospective personnel in return for their improper favour to Y&G Group in a previous role.

13. BUSINESS ASSOCIATES

- 13.1 All Business Associates Acting on Behalf of Y&G such as consultants, advisors, and agents are required to comply with the Policy, the Code and all other policies as it relates to them. They shall make a declaration to abide the Policy and the Code which must be kept by the custodian of the process for the duration of their contract. A sample copy of the declaration is enclosed in **Appendix A** of the Policy.
- 13.2 In circumstances where Y&G retains controlling interest over an entity, such as in certain joint venture agreement, such entity is required to adhere to the Policy and the Code. Where Y&G does not have controlling interest over the entity, such entity is encouraged to comply the same.
- 13.3 Reasonable due diligence should also be carried out with regards to any Business Associate intending to act on Y&G's behalf as an agent or in other representative role, to ensure that the Business Associate is not likely to commit an act of bribery or corruption in the course of its work with Y&G.
- 13.4 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 shall be documented and retained for the duration of the contract by the custodian of the process and produced on request.
- 13.5 Y&G shall include standard clauses in all contracts with Business Associates enabling Y&G to terminate the contracts in the event that bribery or an act of corruption has been proven to

occur. Additional clauses may also be included for Business Associates Acting on Behalf of Y&G where a more than minor bribery risk has been identified.

14. RESPONSIBILITIES OF Y&G PERSONNEL

14.1 All Y&G Personnel are required to carry out those responsibilities and obligations relating to Y&G's anti-bribery and corruption stance, alongside those already in existence, which includes the following:

- a) Be familiar with applicable requirements and directives of the Policy and communicate them to subordinates;
- b) Promptly record all transactions and payments in Y&G's books and records accurately and with reasonable detail;
- c) Ask HRGA Department if any question about the Policy arises or if there is a lack of clarity about the required action in a particular situation;
- d) Always raise suspicious transactions and other "red flags" (indicators of bribery or corruption) to immediate superiors for guidance on the next course of action;
- e) Be alert to indications or evidence of possible violations of the Policy;
- f) Promptly report violations or suspected violations through appropriate channels;
- g) Attend the required anti-bribery and corruption training according to their position; and
- h) Not to misuse their position or Y&G's name for personal advantage.

14.2 When dealing with Business Associates, all Y&G Personnel shall not:

- a) express unexplained or unjustifiable preference for certain parties;
- b) make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
- c) exert improper influence to obtain benefit from them;
- d) directly or indirectly offer or make promise of corrupt payments, in cash or in kind for a specific favour or improper advantage from them.

14.3 During an active or anticipated procurement or tender exercise, Personnel participating in the exercise in any way whatsoever, shall not:

- a) receive gifts or hospitality or any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise;
- b) provide anything other than a Corporate Gift and/or Hamper to any external/third party related to the exercise;
- c) be involved in any discussions regarding business or employment opportunities, for personal benefit or for the benefit of a Business Associate;

- d) abuse the decision-making and other delegated powers given by the Top Management; and
 - e) bypass normal procurement or tender process and procedure.
- 14.4 When dealing with external parties in a position to make a decision for Y&G's benefit (such as a Government official or client), Y&G Personnel shall not:
- a) offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offering or making promise of corrupt payments, in cash or in kind;
 - b) be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party;
 - c) otherwise abuse the decision-making and other delegated powers given by the Top Management, in order to illicitly secure an outcome which would be to the commercial advantage to themselves and/or Y&G; and
 - d) exert improper influence to obtain personal benefits from them.
- 14.5 Y&G's heads of departments have a particular responsibility to ensure that the ABMS requirements are applied and complied with within their departments or functions and to monitor compliance with the Policy. They also must ensure that their subordinates attend the relevant training/briefing organized by the HRGA Department in relation to the Policy.

15. CONFLICT OF INTEREST

- 15.1 Conflict of interest arises in situation where there is a personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of Y&G. All Personnel should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, Y&G's resources and assets, or information available to them, for personal gain or to Y&G's disadvantage.
- 15.2 In situation where a conflict does occur, the Personnel is required to declare the matter as per the Employees' Handbook.

16. Y&G PERSONNEL'S DECLARATION

- 16.1 All Y&G Personnel shall declare in writing that they have read, understood and will abide by the Policy and the Code. A copy of this declaration shall be documented and retained by the HRGA Department for the duration of the personnel's employment. A sample declaration is enclosed in **Appendix B** of the Policy.
- 16.2 Y&G reserves the right to request information regarding the Personnel's assets in the event that the person is implicated in any bribery and corruption-related accusation or incident.

17. ANTI-BRIBERY AND CORRUPTION COMPLIANCE FUNCTION

17.1 The HRGA Department shall perform functions below to act effectively against bribery and corruption:

- a) keep and retain Y&G Personnel's declaration for the duration of their employment in Y&G pursuant to Section 16.1;
- b) organize the relevant training/briefing regarding anti-bribery and corruption, integrity and ethics, to all Y&G Personnel pursuant to Section 19.2;
- c) maintain records to identify which Y&G Personnel has received training/briefing regarding anti- bribery and corruption, integrity and ethics pursuant to Section 19.3;
- d) take appropriate steps to ensure the recording of all forms of gifts, donations and sponsorships, accepted or offered (as stipulated in Section 9) and facilitation payments (as stipulated in Section 10) pursuant to Section 18.2;
- e) report on any non-compliance of the Policy by Y&G Personnel and recommend the appropriate action to be taken to the Top management and the Audit and Risk Committee pursuant to Section 22.1; and
- f) provide advice and guidance to Y&G Personnel on the Policy and issues relating to bribery and corruption.

17.2 Y&G (through the Risk Management Working Group) shall conduct regular risk assessments to identify the bribery and corruption risks affecting the business, set anti-bribery and corruption objectives, and assess the effectiveness of the controls in achieving those objectives.

18. RECORD-KEEPING

18.1 Proper and complete records be maintained of all payments made to third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with accuracy and completeness.

18.2 Employees must declare all forms of gifts, donations and sponsorships, accepted or offered (as stipulated in Section 9) and facilitation payments (as stipulated in Section 10), and submit details to the HRGA Department for recording into the Register which will be subjected to internal audit review. Employees must also ensure that all expenses claimed or incurred by third parties in relation to Section 9 and 10 are approved by their Head of Department and the Top Management and reason for such expenses must be specifically recorded in the Register maintained by the HRGA Department. Reason for all forms of gifts, donations and sponsorships accepted must also be recorded in the Register maintained by the HRGA Department.

19. TRAINING AND AWARENESS

- 19.1 Y&G shall conduct an awareness programme for all its Personnel on Y&G's position regarding anti-bribery and corruption, integrity and ethics.
- 19.2 Training/briefing should be provided by the HRGA Department to all new Personnel upon their joining. Training shall also be provided to all existing Personnel on a regular basis, in accordance with the level of bribery and corruption risk related to their positions.
- 19.3 The HRGA Department shall maintain records to identify which Y&G Personnel has received training/briefing regarding anti-bribery and corruption, integrity and ethics.
- 19.4 Business Associates Acting on Behalf of Y&G shall be given briefing on the Policy and the Code and all other policies as it relates to them by the respective Head of Departments who shall also ensure the compliance of the declaration in Section 13.1.

20. REPORTING OF POLICY VIOLATIONS

- 20.1 Suitable reporting channels shall be established and maintained for receiving information regarding violations of the Policy, and other matters of integrity provided in good faith by Y&G Personnel and/or external parties.
- 20.2 Personnel who, in the course of their activities relating to their employment at Y&G, encounter actual or suspected violations of the Policy are required to report their concerns using the reporting channels stated in Y&G's Whistle Blowing Policy.
- 20.3 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.
- 20.4 Retaliation in any form against Y&G Personnel where the person has, in good faith, reported a violation or possible violation of the Policy is strictly prohibited. Any Y&G Personnel found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of the Policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which Y&G may pursue.

21. AUDIT AND COMPLIANCE

Regular audits shall be conducted to ensure compliance to the Policy. Such audits may be conducted internally by Y&G or by an external party. Audit documentation should include performance improvement action plans.

22. SANCTIONS FOR NON-COMPLIANCE

- 22.1 Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported through the HRGA Department to the Top Management and the Audit and Risk Committee in a timely manner in accordance with the level of risk identified.
- 22.2 Y&G regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to the Policy. For Y&G Personnel (contracted on an employment

basis), non-compliance may lead to disciplinary action, up to and including termination of employment.

22.3 For external parties, non-compliance may lead to penalties including termination of contract.

22.4 Further, legal action may also be taken in the event that Y&G's interests have been harmed as the result of non-compliance by individuals and organisations.

23. CONTINUOUS IMPROVEMENT

23.1 Y&G shall monitor the legal and regulatory regimes where it operates and any changes to Y&G's business environment and risks and identify any opportunities for ABMS improvement. A report should be submitted to the Top Management and the Audit and Risk Committee on a regular basis for the appropriate action to be taken.

23.2 Regular assessments of the ABMS should be carried out to ensure its scope, policies, procedures and controls match the bribery and corruption related risks faced by Y&G, and in any event, at least once every three (3) years and any amendments to the Policy will be subjected to the approval of the Board of Directors of Y&G.

23.3 Y&G endeavours to impact the business environment where it operates. This includes extending its integrity programme to non-controlled Business Associates such as suppliers and contractors, seeking to work with companies who have a similar commitment and supporting initiatives in the private and public sectors which are likely to improve the integrity of its operating environment.

Appendix A-Sample of Declaration Form by Business Associate Acting on Behalf of Y&G

We, _____, hereby declare that we have read and understood Y&G's Anti-Bribery and Corruption Policy ("**the Policy**") and the Code of Conduct and Ethics ("**the Code**") and will abide by the requirements and provisions set out in the Policy and the Code as and when we are acting on behalf of Y&G.

Signature:

Company Stamp:

Date:

Appendix B-Sample of Declaration Form by Y&G Personnel

I, _____, hereby declare that I have read and understood Y&G's Anti-Bribery and Corruption Policy ("**the Policy**") and the Code of Conduct and Ethics ("**the Code**") and will abide by the requirements and provisions set out in the Policy and the Code.

Y&G reserves the right to request information regarding my assets in the event that I am implicated in any bribery and corruption-related accusation or incident.

Signature:

Date:

Declaration Form by Y&G Personnel

I, Lee Boon Hong @ Lee Boon Keong, hereby declare that I have read and understood Y&G's Anti-Bribery and Corruption Policy ("**the Policy**") and the Code of Conduct and Ethics ("**the Code**") and will abide by the requirements and provisions set out in the Policy and the Code.

Y&G reserves the right to request information regarding my assets in the event that I am implicated in any bribery and corruption-related accusation or incident.

Signature:

Date: 1 June 2020