

FIAMMA HOLDINGS BERHAD
(Registration No. 198201008992 (88716-W))

ANTI-BRIBERY AND CORRUPTION POLICY AND PROCEDURE

1. Introduction

- 1.1 Fiamma Holdings Berhad and its subsidiaries (the “Group”) is committed to the highest ethical standards in conducting business dealings with integrity and in compliance with all applicable laws and regulations, including MACC Act.
- 1.2 The Group has adopted a zero-tolerance approach against all forms of Bribery and Corruption and takes a strong stance against such acts.
- 1.3 The Policy and Procedure leverages on the core principles of the Group set out in the Group’s Code of Conduct and Code of Ethics.
- 1.4 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.
- 1.5 If the offence is committed outside Malaysia, the individual may be dealt with in respect of such offence as if it was committed at any place within Malaysia. Failure to comply with this Policy and Procedure, whether intentional or not, may lead to disciplinary action and criminal liability for the individual(s) involved.
- 1.6 As the Group operates in various jurisdiction, if the law in a particular country conflicts with this Policy and Procedure, please consult the Head of Human Resource or Head of Internal Audit of the Company and not disregard this policy without consultation.
- 1.7 Any person who commits an offence under sections 16, 17, 20, 21, 22 and 23 of the MACC Act, shall on conviction be liable to—
 - (a) imprisonment for a term not exceeding twenty years; and
 - (b) a fine of not less than five times the sum or value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is of a pecuniary nature, or ten thousand ringgit, whichever is the higher.

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2. Interpretation

In this Chapter:-

Words	Meanings
Associated Person	A person who performs any services or functions on behalf of another person, or under the instruction of another party, who works or deals with the Group.
Bribery	Defined as any action which would be considered as an offence of giving or receiving gratification under the MACC Act.
Business Associate	An external party with whom the Group has, or plans to establish some form of business relationship which may include but not limited to customers, joint venture partners, consultants, contractors, subcontractors, suppliers, agents and etc.
Corporate Gift	Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift.
Corruption	Defined as any action which would be considered as an offence of giving or receiving gratification under the MACC Act.
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 includes all of the following:- <ul style="list-style-type: none"> • Independent and non-independent Directors • Executive and non-executive Directors • Alternate Directors
Exposed Position	A position identified as vulnerable to bribery through risk assessment. Such position may include but not limited to roles involving procurement, financials, sales, or any other positions which the Group has identified as vulnerable to Bribery and Corruption.

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Festive Gift	Traditional treats or gifts customary to the occasion such as red packets (cash or cash equivalent), hampers, and etc.
Gratification	Defined under Section 3 of the MACC Act as:- <ul style="list-style-type: none"> (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).
MACC Act	Malaysia Anti-Corruption Commission Act 2009 and any statutory modification, amendment or re-enactment thereof for the time being in force
Policy and Procedure	Anti-Bribery and Corruption Policy and Procedure
the Company	Fiamma Holdings Berhad
the Group	Fiamma Holdings Berhad and its subsidiaries

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3. Objective

- 3.1 The Policy and Procedure sets out the Group’s position on Bribery and Corruption in all its forms and matters that might confront the Group in its day to day operations.
- 3.2 The Policy and Procedure serve as a guideline on how to deal with Bribery and Corruption which may arise in the course of business.

4. Scope

- 4.1 This Policy and Procedure applies to the following persons:-
- a) The Directors and employees of the Group; and
 - b) Contractors, joint venture partners or any other parties performing services for and on behalf of the Group.

(collectively referred to as “**the Parties**”)

- 4.2 This Policy and Procedure would not be able to provide the Parties with comprehensive solution to every potential Bribery and Corruption that may arise.
- 4.3 In the event of doubt in relation to this Policy and Procedure, the Parties should consult the Company’s Head of Human Resource or Head of Internal Audit immediately.

5. Responsibilities of the Parties

The Parties are responsible for understanding and complying with this Policy and Procedure which includes the following:-

- a) Be familiar with the requirements and directives of the Policy and Procedure and communicate them to subordinates;
- b) Promptly record all transactions of Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship (collectively referred to as “**GEHTDS**”) accurately and in reasonable detail;
- c) Always raise suspicion transactions to the Company’s Head of Human Resource Department for guidance on next course of action; and
- d) Promptly report violations or suspected violations through appropriate channels.

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6. Anti-Bribery and Corruption

- 6.1 All forms of Bribery and Corruption are prohibited. The Parties should not participate in any corrupt or unethical activity including but not limited to extortion, abuse of power, trading under influence, fraud and/or money laundering.
- 6.2 Bribery and Corruption may take the form of exchange of money, goods, services, property, privilege, and/or preferential treatment. The Parties shall not, whether directly or indirectly, offer, give, receive or solicit any gratification, in an attempt to influence decisions or actions of a person in a position in the Group, with an intent (a) to obtain or retain business for the Group; or (b) to obtain or retain an advantage in the conduct of business for the Group.
- 6.3 This Policy and Procedure applies to the Group's business dealings with commercial and government entities, and includes interactions with their directors, employees, agents and other appointed representatives.
- 6.4 No employee will suffer demotion, penalty or other adverse consequence for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the Group losing business or experience a delay in business operations.
- 6.5 The Group awards contracts based on merits and tenders. Support letters in all forms shall not be recognised as part of the business decision making process.
- 6.6 The Group's internal audit function shall conduct risk assessments once every three (3) years, with intermittent assessments conducted when necessary, in relation to Bribery and Corruption.

7. Conflict of Interest

- 7.1 A situation of conflict of interest arise in situations where a personal interest that might be considered to interfere with a person's objectivity in performing or exercising duties/judgement on behalf of the Group.
- 7.2 The Parties should avoid or deal appropriately with situations in which conflict of interest arise and they must not use their position to gain or to cause disadvantage to the Group.

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8. Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship

- 8.1 The Group prohibits both the giving and receiving of GEHTDS which may influence business decisions. As GEHTDS varies between countries and regions and what may be normal and acceptable in one region may not be in another. The intention behind the GEHTDS should always be considered, so that it does not create an appearance of bad faith and impropriety and should not be misunderstood by others to be a bribe.
- 8.2 The Group should not solicit any GEHTDS from any Business Associate directly or indirectly.
- 8.3 The Group allows appropriate business related GEHTDS if the following principles are observed:-
- a) Transparency

Receipt and/or provision of any GEHTDS should be comfortably recorded into the Group's designated register which would be made available for audit purposes.
 - b) Recipients

Receipt and/or provision of any GEHTDS would not result the Parties to be in a Conflict of Interest position.
 - c) Ability to Influence

Receipt and/or provision of any GEHTDS should not occur which may detriment the direction of a business decision.
 - d) Value

Receipt and/or provision of any GEHTDS must be modest and not be so frequent as to place the recipient under an obligation.
 - e) Purpose

Receipt and/or provision of any GEHTDS offered openly in normal course of business to promote good relations and mark special occasions must not be interpreted as to gain unmerited advantage or cause disadvantage to others.
- 8.4 The Group shall maintain a GEHTDS register to record GEHTDS received or provided amounting to RM1,000.00 (or equivalent amount/value in other countries depending

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on cultural difference) or greater for audit purposes. Such register should state the gift's nature, its value, the name of the provider, name of the recipient, reason or occasion for the gift.

- 8.5 The Group should avoid from offering and/or accepting GEHTDS from government officials without the approval from the Company's Head of Human Resource Department.
- 8.6 As part of the Group's commitment to corporate social responsibility and sustainable development, the Group provides such assistance as appropriate, after carefully examining the legitimacy of the request, conducting due diligence and ensuring that such a contribution would not improperly influence a business outcome.
- 8.7 Even if refusal of the gift and/ or hospitality is considered disrespectful or may offend the other party, the gift must be politely returned with a note of explanation of the Group's "no gift" policy if there is a potential conflict of interest situation.
- 8.8 The Group must ensure that all Donation and Sponsorship are given through legal and proper channels. Particular care must be taken in ensuring that the charities or sponsored organisations on the receiving end are valid bodies and are able to manage the funds properly. Steps must be taken to ensure that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials nor act as conduit to fund illegal activities in violation of any applicable law. When in doubt, employees can escalate the matter to the Company's Head of Human Resource Department to determine the authenticity of such requests.
- 8.9 Corporate Gifts and/or Festive Gifts may be given to any Business Associate provided it is made for the right reason, not obligatory, not expecting expectation, made openly, within reasonable value and legal.
- 8.10 If Parties are unclear about obligations under this policy or have doubt about the scope of applicable laws or the Group's policies concerning bribery and corruption, to check with the Company's Head of Human Resource or Head of Internal Audit immediately.

9. Facilitation Payments

The Group prohibits the use of facilitation payments in its business. Facilitation payment is a payment or other provision made personally to an individual to secure or expedite the performance of routine or administrative duty or function.

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10. Business Associates

- 10.1 The Group expects all Business Associate to refrain from Bribery and Corruption.
- 10.2 If suspicion of Bribery and Corruption arises in any collaboration with the Business Associate, the Group shall seek an alternative Business Associate.
- 10.3 Standard clauses shall be included in contracts with Business Associates which would enable the Group to terminate any contract in the event that Bribery or Corruption is made suspicious of.
- 10.4 Prior to entering into any formalised relationships and in the event of suspicious behavior, allegations and/or investigations relating to Bribery and Corruption in relation to collaboration with the Group and Business Associates, the Group shall conduct due diligence on any relevant parties which include but not limited to search through relevant database, background checks and conducting interviews to identify relationship and documenting the reasons for choosing one particular Business Associate over another.
- 10.5 All Business Associates are required to adhere to industry best practice and accepted standards of behaviour.

11. Non-Compliance

- 11.1 The Group would take immediate action against any party who did not adhere to the Policy and Procedure. This may include but not limited to the termination of employment, business arrangements, initiation of legal action and/or notification to the authorities.
- 11.2 Any Parties committed Bribery and Corruption and found guilty by the authorities, shall be liable to an imprisonment for a term not exceeding 20 years and a fine prescribed under Section 24 of the MACC Act.
- 11.3 Notwithstanding Clause 11.2 above, the Company, subsidiary or Group may also be liable to a penalty under Section 17A(2) of the MACC Act if it fails to prevent any Bribery or Corruption by an Associated Person (including, but not limited to an employee) for the benefit of the Company or subsidiary or Group.

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12. Record Keeping for Managing Documentation

- 12.1 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.
- 12.2 The Group must ensure that all GEHTDS are recorded in the register in a timely manner.

13. Whistleblowing Channel

- 13.1 The Group has established a Whistleblowing Policy which details the Group's policies and procedures in relation to disclosure of any known malpractices or wrongdoings occurred in the Group.
- 13.2 The Parties who encounter actual or suspected violations of this Policy and Procedure are required to report their concerns. The parties are responsible to ensure that suspected Bribery and Corruption incidents are reported promptly via the procedures set out in the Whistleblowing Policy which is made available in the Group's website.
- 13.3 Reports made in good faith, either anonymously or otherwise, would be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.
- 13.4 With regard to the Policy and Procedure, the Parties may seek further clarification and consult the Head of Human Resources or Head of Internal Audit.

14. Awareness and Training

- 14.1 The Group is committed in arranging awareness programmes for all Parties to refresh awareness in relation to the Policy and Procedure and to continuously promulgate integrity and ethics.
- 14.2 In addition, the Group provides training in relation the Policy and Procedure to:-
- a) New Recruits; and
 - b) Employees promoted / Transferred to Exposed Position.

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15. Recognition of local and international legislations

- 15.1 The Group is committed in conducting its business ethically and in compliance with all applicable laws and regulations.
- 15.2 In the event that any clause in this Policy and Procedure is inconsistent with or in breach of any applicable laws and regulations, the applicable laws and regulations shall prevail.

16. Declaration

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

17. Monitoring, Periodic Review and Disclosure

- 17.1 The Group is committed to continually improve the Policy and Procedure and may therefore endeavor to develop further integrity measures.
- 17.2 The Board shall conduct a review on the effectiveness of the implementation of this Policy and Procedure at appropriate intervals, considering its suitability, adequacy and effectiveness.
- 17.3 This Policy and Procedure should be reviewed once every three years or may be amended by the Board as it deems appropriate.
- 17.4 This Policy and Procedure should be disclosed on the Company's website.
- 17.5 This Policy and Procedure was reviewed and approved by the Board of Directors on 19 May 2020.