



## SAMCHEM ANTI-CORRUPTION AND BRIBERY POLICY

### Version 2.2

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#### 1. INTRODUCTION

1.1 SAMCHEM is committed to conducting business ethically and with integrity, as well as complying with all applicable laws, rules and regulations of the governments, commissions and exchanges in the jurisdiction which the group operates, including the Malaysian Anti-Corruption Commission Act 2009 (as amended from time to time).

#### 2. OBJECTIVE

2.1 Having a clear policy statement of the Company's position regarding bribery and corruption to provide guidance to employees and directors.

#### 3. SCOPE

3.1 This Policy is applicable to Samchem holding Berhad, its subsidiaries, business associates acting on Samchem's behalf, its directors and all Samchem employees (whether full time, part-time, contract or temporary)

3.2 The Policy is applicable equally to business dealings in the commercial or private sector as well as dealings with public sector entities.

#### 4. Definitions

<b>"ARMC"</b>	means the Audit and Risk Management Committee of the Board of Directors of Samchem Holdings Berhad.
<b>"Bribery &amp; Corruption"</b>	means any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (" <b>MACC Act</b> "). 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.  In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering
<b>"Board of Directors"</b>	Means the board of directors of Samchem Holdings Berhad.
<b>"Business Associates"</b>	means an external party with whom SAMCHEM 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.

<b>“Gratification”</b>	<p>is defined in the MACC Act to mean the following:-</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</li> <li>(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</li> <li>(d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</li> <li>(e) any forbearance to demand any money or money’s worth or valuable thing;</li> <li>(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</li> <li>(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).</li> </ul>
<b>“RMC”</b>	<p>means the Risk Management Committee appointed by the ARMC to carry out risk assessments and implement risk management policies for the Samchem Group.</p>
<b>“Samchem Personnel”</b>	<p>means all directors and all individuals directly contracted to the Company on an employment basis, including permanent and temporary employees.</p>

## 5. ANTI-BRIBERY AND CORRUPTION POLICY

- 5.1 SAMCHEM condemns and strictly prohibits all forms of bribery and corruption. Samchem Group upholds 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.
- 5.2 Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment.
- 5.3 Samchem Personnel and its Business Associates shall not, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to improperly or illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of the Samchem Group or the persons involved in the transaction.
- 5.4 Even the possible appearance of bribery or corruption is to be avoided, in particular when dealing with Government officials.
- 5.5 SAMCHEM reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

## **6. GIFTS, BENEFITS AND ENTERTAINMENT**

- 6.1 SAMCHEM Personnel are strictly prohibited from asking for / soliciting gifts, benefits, entertainment and donations from external parties.
- 6.2 SAMCHEM recognises that exchange of gifts and providing modest entertainment may be a central part of business relationship etiquette in certain cultures. Gifts, benefits and entertainment may only be given or accepted where such gestures can be construed to be legitimate such as building a corporate / business relationship and provided that they are presented in good faith and must meet the following conditions:-
- (a) Reasonable in value
  - (b) Infrequent in nature
  - (c) Transparent and open
  - (d) Respectful and customary
- 6.3 SAMCHEM Personnel **SHALL NOT** give or accept gifts, Benefits or Entertainment from a third party or stakeholder of the Company, or any item which:-
- (a) may be viewed as a bribe from a third party
  - (b) knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them; or
  - (c) create a sense of obligation and compromise their professional judgement
- 6.4 All persons who are subject to this Policy shall exercise proper care and judgement in respect of giving or receiving any gifts, benefits and/or entertainment on a case-to-case basis.
- 6.5 All persons who are subject to this Policy shall take into consideration the impact of their actions with regards to how their actions are perceived (i.e. whether it may influence their decision) and its impact towards the business operations of the Company prior to giving or accepting any gifts, benefits and/or entertainment.
- 6.6 Samchem Personnel shall take all such care to avoid actions and dealings which may be perceived or viewed as bribery or corruption,

## **7. POLITICAL DONATIONS**

- 7.1 SAMCHEM adopts a strict policy of not allowing contributions or sponsorships to any political parties. SAMCHEM Personnel shall not make any political contributions on behalf of the Company.
- 7.2 However, Employees and Business Associates are not restricted in making personal political donations in their personal capacity. SAMCHEM will not make any reimbursements for any political donations made in this capacity.

## **8. CHARITABLE CONTRIBUTIONS, DONATIONS, SOCIAL PROJECTS & SPONSORSHIPS**

- 8.1 SAMCHEM is committed in its corporate social responsibility to give back to the community and undertakes social and charitable projects. All CSR projects, charitable donations and sponsorships must be done in good faith for purpose of local community or welfare development.

## **9. KICKBACKS**

- 9.1 SAMCHEM Group strictly prohibits all employees and Directors from engaging in kickbacks. A kickback is any payment, not reflected on the face of a business contract that is required to be made to a government agency, a government official, or a private individual in order to conclude the business agreement at issue. Where the kickback is being extorted and/or any employee of SAMCHEM GROUP is being coerced to pay and their safety or liberty is under serious threat and they have no alternative but to make the kickback in order to protect their life, limb or liberty, the affected employee must immediately report the matter to the Head of Department. In the case of Directors, it is to be reported to the Company Secretary as soon as possible.

## **10. BUSINESS ASSOCIATES**

- 10.1 As part of the Group's commitment to combat bribery, the Group expects all Business Associates to refrain from bribery.
- 10.2 All Business Associates (including external providers such as consultants, advisors, and agents) acting on behalf of SAMCHEM are required to comply with this Policy, and all other policies as it relates to them.
- 10.3 SAMCHEM shall include standard clauses in all contracts with business associates enabling the Company 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 SAMCHEM's behalf where a more than minor bribery risk has been identified.
- 10.4 All third parties, including agents, suppliers and joint venture partners should be made aware of this Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.
- 10.5 Due diligence should also be carried out on Business Associates where a bribery risk has been identified.

## **11. REPORTING**

- 11.1 SAMCHEM Personnel who encounter actual or suspected violations of this Policy are required to report their concerns. Every individual has a responsibility to ensure that suspected violations are reported promptly via the channels outlined in the Whistleblowing Policy.

## **12. RESPONSIBILITIES OF SAMCHEM PERSONNEL**

- 12.1 All SAMCHEM personnel are required to carry out the responsibilities and obligations relating to the Company's anti-bribery and corruption stance including the following:
- (a) Not engage in any acts of corruption;
  - (b) Not pay or accept bribes;
  - (c) Disclose all conflict of interest or potential conflict of interest;
  - (d) Behave in an honest manner;
  - (e) Be familiar with the applicable principles of this Policy and communicate them to subordinates;
  - (f) Obtain clarification from a supervisor or head of department if there is lack of clarity about the required action ;
  - (g) Be alert to possible violations of this policy and report concerns of violations in accordance with this Policy;
  - (h) Attend Anti-bribery and Corruption training as required according to position.

### **13. DECLARATIONS**

- 13.1 All SAMCHEM Personnel 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 personnel's employment.

### **14. COMPLIANCE AND IMPLEMENTATION**

- 14.1 The ARMC comprising of independent directors is responsible for the oversight of the compliance function of this Policy and shall communicate its position to the Company through the Risk Management Committee (RMC).

- 14.2 The RMC shall perform the following functions:

- (a) provide advice and guidance to SAMCHEM Personnel on this Policy and issues relating to bribery and corruption generally;
- (b) to ensure that the company issues periodic communications on its anti-bribery and corruption policy internally and externally;
- (c) advice and give direction on the appropriate steps to ensure that adequate monitoring, measurement, analysis and evaluation of the anti-bribery and is performed;
- (d) to conduct and review any risk assessment exercises to identify corruption and bribery risks as well as suitability of the policy and to make recommendations on action to be taken; and
- (e) report any risk concerns to the ARMC.

- 14.3 The implementation shall be performed by the Management of the Company.

### **15. SANCTIONS FOR NON-COMPLIANCE**

- 15.1 SAMCHEM regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event that the Group's interests have been harmed as a result of noncompliance.
- 15.2 SAMCHEM shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt. Where notification to the relevant regulatory authorities have been done, the Group shall provide full cooperation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Employees.