

CNI HOLDINGS BERHAD

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. CNI Holdings Berhad's Commitment

CNI Holdings Berhad and its subsidiaries ("the Group") are committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the Company's daily operations.

The Group has adopted a zero tolerance approach against all forms of bribery and corruption. Employees who refuse to pay or receive 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 the targets.

The Group's Anti-Bribery and Anti-Corruption Policy ("the Policy") leverages the core principles set out in the Code of Business Ethics. The scenarios provided within this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances relating to bribery. Compliance to the Policy is mandatory and will be monitored with a principle-based approach.

2. Objective

This policy sets out the Group's position on bribery in all its forms and matters of corruption that might confront the Group in its day to day operations.

3. Scope

This policy applies to all Directors and Employees of the Group.

4. Definitions

"Bribery" is defined as 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 the Group 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 the Group such as a decision-maker or someone with access to confidential information.

Bribery and corruption are closely related. However, corruption has a wider remit. See "Corruption" definition below.

"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 the Group 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.

“Corruption” is defined primarily as any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (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” means when a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making of the Group.

“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 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. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques and festive gifts such as hampers, oranges and dates.

“Personal Gift” means 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 equivalents such as credit cards, bitcoin or saving 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.

“Directors” include all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors;

“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; 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;

“Employees” means all individuals directly contracted to the Group on an employment basis, including permanent and temporary employees and Directors.

5. Anti-Bribery and Anti-Corruption Policy

- 5.1 All forms of bribery and corruption are prohibited.
- 5.2 Bribery and corruption may take the form of money, goods, services, property, privilege, employment position or preferential treatment. Employees 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 the Group or the persons involved in the transaction.
- 5.3 This Policy applies equally to its business dealings with commercial (‘private sector’) and Government (‘public sector’) entities, and includes interactions with their directors, Employees, agents and other appointed representatives at all levels. Even the perception of bribery is to be avoided.
- 5.4 This Policy applies to the Group, without exception and without regard to regional customs, local practices or competitive conditions.
- 5.5 No Employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or participate in other illicit behaviour, even if such refusal may result in the Company losing business or experiencing a delay in business operations.
- 5.6 The Group recognises the value of integrity in its Employees and Directors. The Group’s recruitment, training, performance evaluation, remuneration, recognition and promotion for all Employees, shall be designed to recognise integrity. The Group conducts due diligence on employees who hold or may be holding Exposed Positions.
- 5.7 The Group does not offer employment to prospective Employees in return for previous favour / in exchange of improper favour.
- 5.8 The Group awards contracts and employee positions purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process.

6. Recognition of Local Legislation

- 6.1 The Group is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited to the Malaysian Penal Code (revised 1977) (and its amendments), the Malaysian Anti-Corruption Commission Act 2009 and its amendments, the Companies Act 2016. These laws prohibit bribery and corruption. Organisations are mandated to establish and maintain accurate books and records as well as adequate measures to prevent corrupt practices.
- 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 Donations and Sponsorships

- 7.1 The Group prohibits both giving and receiving of Gifts, Entertainment and Travel (GET) and Donation and Sponsorship (D&S) to influence business decisions. Further guidelines cascading from this Policy, to streamline thresholds and develop specific requirements applicable to the Group are set out in the GET and D&S Guidelines.
- 7.2 The Group allows appropriate business-related GET. Reasonable GET are acceptable provided that the following conditions are fulfilled:
- a) They are limited, customary and lawful under the circumstances;
 - b) They do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions;
 - c) There must be no expectation of any specific favour or improper advantages from the intended recipients;
 - d) The independent business judgment of the intended recipients must not be affected;
 - e) There must not be any corrupt / criminal intent involved; and
 - f) The giving out of the GET must be done in an open and transparent manner.
- 7.3 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. All offers and acceptance of GET and D&S involving government officials must be approved by the CEO. The GET and D&S must also be declared in the register.
- 7.4 Donations and Sponsorships (D&S) are permitted in accordance with the GET and D&S Guidelines. However, the Group prohibits the giving and receiving of donations and sponsorships to influence business decisions.
- 7.5 In respect of political contribution, 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 CEO. Any appearance of making such contributions or expenditure to any political party, candidate or campaign, must also be avoided.

- 7.6 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.

8. Facilitation Payments

- 8.1 The Group adopts a strict stance that disallows facilitation payments. 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 a routine or administrative duty or function.
- 8.2 Employees are expected to 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:
- a) That is the immediate available recourse to protect the safety of the Employee;
 - b) The CEO's approval has been obtained; or payment under the state of emergency has been undertaken, after which the CEO'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 of the Group to contractually agree to refrain from bribery and corruption, and to adhere to the Group's Code of Business Ethics.
- 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 Group to terminate any contract in which bribery or corruption has been observed.

10. Responsibilities of Employees

10.1 Employees are responsible for understanding and complying with this Policy. In particular, the role of all Employees 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 accurately and in reasonable detail;
- c) Always raise suspicious transactions to immediate superiors for guidance on next course of action;
- d) Promptly report violations or suspected violations through appropriate channels;
- e) Promptly complete the training and assessment, as well as attest to comply annually.

11. Conflicts of Interest

11.1 Conflicts of interest arise in situations where there is personal interest that could be considered to interfere with that person's objectivity when performing duties or exercising judgment 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, Group's resources and assets for personal gain or to the Group's disadvantage.

11.2 In situations where a conflict does occur, Employees are required to declare the matter.

12. Staff Declarations

12.1 All Employees shall acknowledge 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. A sample declaration can be found in the **Appendix** of this Policy.

12.2 In addition, under circumstances of suspicious behaviour, allegations and/or investigations relating to bribery and corruption, the ABC and Human Resources Department reserves all rights to request the relevant Employee to declare information regarding assets owned as deemed necessary.

13. Anti-Bribery and Anti-Corruption Compliance

13.1 The Anti-Bribery Committee ("ABC") shall have the oversight of the implementation of compliance controls related to this Policy.

13.2 The ABC shall conduct regular risk assessments to identify the bribery and corruption risks potentiality affecting the Group. The ABC 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 standards.

13.3 The ABC shall be the independent authority to act effectively against bribery, including initiating investigations deemed necessary based on reasonable cause for suspicion. The Chairman of the ABC shall maintain a direct reporting line to the Audit Committee as well as the Directors.

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

14. Awareness and Training

14.1 The Group shall conduct awareness programmes for all Employees to create awareness of anti-bribery and anti-corruption measures, and to continuously promulgate integrity and ethics.

14.2 In addition, the Group provides anti-bribery and anti-corruption training to:

- a) New recruits; and
- b) Employees promoted / transferred to Exposed Positions.

14.3 The ABC may at any time recommend that certain training be repeated to any Employee / Group of Employees in any operating unit if deemed necessary based on circumstantial requirements.

14.4 The Human Resources Department shall maintain all records of training in collaboration with the ABC.

15. Reporting of Policy Violations

15.1 Employees who encounter actual or suspected violations of this policy are required to report their concern using the reporting channels stated in Whistleblowing Policy below:

a) Whistleblowing e-Form at:

https://www.cniholdings.com.my/whistle_blowing.php

b) Emails:

- Independent Director: hkchng@mycni-elite.com
- The ABC: ykchin@cni.my

c) Calls to (Malaysia Office Hours; GMT +8 hours):

- Malaysia: 603-5569 4000 ext 2345

d) Letters to the ABC at:

- CNI Holdings Berhad, Wisma CNI, No. 2, Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor, Malaysia

- 15.2 Each employee has a responsibility to ensure that suspected bribery and corruption incidents are reported promptly. 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.

16. Non-Compliance

- 16.1 The ABC shall conduct regular validation to ensure compliance to this Policy. Such validation exercises may be conducted either independently by the ABC or in collaboration with the Internal Audit Department.
- 16.2 Non-compliance identified by the validation or identified through other risk assessments undertaken shall be reported to the Audit Committee.

17. Sanctions for Non-Compliance

- 17.1 The Group regards bribery and corruption as serious matters. 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 non-compliance.
- 17.2 The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- 17.3 Where notification to the relevant regulatory authorities have been done, the Group shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Employees.

18. Continuous Improvement

The Group is committed to continually improving its policies and procedures relating to anti-bribery and anti-corruption. The ABC may therefore endeavour to develop further integrity measures and certify the Group's anti-bribery procedures as adequate where certification is available.

19. Waiver

Any deviation or waiver from this Policy must be approved either by the Audit Committee or Board of Directors.

Appendix

Staff Declaration Form

I, _____, hereby declare that I have read and understood the Group's Anti-Bribery and Anti-Corruption Policy. I will abide by the requirements and provisions set out in the Policy, as required by my employment contract.

Name :
Title :