

SHH RESOURCES HOLDINGS BERHAD

(Company No: 304227-U)

ANTI-BRIBERY AND CORRUPTION POLIC

1 INTRODUCTION

- 1.1 SHH Resources Holdings Berhad (“SHH” or the “Company”) and its subsidiaries (collectively the “Group”) recognises the importance of establishing and upholding good corporate governance and is committed to conducting its business in accordance with the highest ethical standards in compliance with all applicable laws, regulations and guidelines.
- 1.2 Bribery and corruption compromises business ethics and damages an organisation’s reputation. As such, the Group strongly opposes any practice that improperly or illegally disrupts proper business conduct.
- 1.3 The Board of Directors of the Group is committed to complying with the anti-bribery and corruption laws in Malaysia, namely the Malaysian Anti-Corruption Commission (MACC) Act, 2018 (“MACC Act”). Thus, this Anti-Bribery and Corruption Policy (this “Policy”) has been developed with the purpose of fulfilling the said legal and regulatory requirements and sets out the Group’s overall policy and practices in bribery and corruption in all forms and managing all dealings with third parties with regard to conflicts of interest situations, gifts, hospitality, and charities.

2 ANTI-BRIBERY AND CORRUPTION STATEMENT

- 2.1 The Group is committed to conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery or corruption is prevented. The Group is committed to the eradication of all forms of bribery and corruption and shall continuously conduct its business activities ethically, honestly and with high standards of integrity.
- 2.2 Since the provisions in this Policy are based on legal requirements, violating this policy may subject individuals and the Group to penalties, including fines and imprisonment. Such violations may also severely damage the reputation of the Group and its personnel. As such, personnel and business associates shall not, whether directly or indirectly, offer, give, receive or solicit any item of value, in an 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.
- 2.3 The anti-bribery and corruption statement applies equally to the Group’s business dealings with Government (public sector) and commercial (private sector) entities, and includes their directors, employees, agents, consultants, representatives and other appointed representatives such as officials, politicians and public bodies.

3 OBJECTIVE

- 3.1 The objective of this Policy is to provide guidance for our directors, personnel and business associates and assist them to identify and deal with bribery and corruption issues, as well as understanding their roles and responsibilities.
- 3.2 This Policy provides a clear statement of the conduct which is expected of the Group’s personnel. This Policy also applies to any third party who performs services for and on behalf of the Group.
- 3.3 This Policy should also be read together with other policies and procedures, such as the Group’s Code of Ethics and Conduct, the Employee Handbook and Whistleblowing Policy.

4 SCOPE

4.1 This Policy applies to:

- a) Directors (both executive and non-executive), officers, employees of the Group (including permanent, part-time and contract (fixed-term) employees), and volunteers (“Personnel”);
- b) Any third party (person or entity) who performs services for or on behalf of the Group. This includes actual and potential clients, customers, joint-ventures, joint-venture partners, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, agents, distributors, representatives, intermediaries and investors (“Business Associates”); and
- c) Joint-venture entities and associated companies are strongly encouraged to adopt these or similar principles.

5 DEFINITIONS OF BRIBERY

5.1 For the purpose of this Policy:

- a) Bribery means the act of giving or receiving ‘gratification’ in exchange for some kind of influence or action in return, that the recipient would otherwise not offer.
- b) Corruption is the abuse of entrusted power for personal gain. Essentially, it is the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/ her job description.
- c) Facilitation Payment is a payment or other provision made to or received personally from a third party in control of a process or decision, in order to secure or expedite a routine or administrative duty or function.
- d) Gratification refers to “something of value” which includes, but not limited to money, donation, gift, loan, fee, reward, valuable security, information, property or interest in property, employment, appointment, release, forbearance, undertaking, promise, rebate, discount, services employment or contract of employment or services and agreement to give employment or render services in any capacity.

6 PRINCIPLES ON ANTI-BRIBERY AND CORRUPTION

6.1 *Conflict of Interest*

- a) Conflict of interest may arise in situations where Personnel engage in business or other activities outside the Group or have personal interests, whether it benefits themselves or their closely related person(s), i.e. relatives or close associates, which competes or conflicts with the interests of the Group.
- b) Employees must obtain written approval of the Company before undertaking activities which may give rise to conflict of interest.
- c) All Personnel shall declare their conflict of interest, both on a scheduled basis, and ad hoc as soon as they arise.

6.2 Gifts and Hospitality

Normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) are acceptable so long as the giving or receiving of gifts meets the following requirements:-

- a) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits.
- b) It is not made with the suggestion that a return favour is expected.
- c) It is in compliance with local law.
- d) It is given in the name of the company, not in an individual's name.
- e) It does not include cash or a cash equivalent (e.g. a voucher or gift certificate).
- f) It is appropriate for the circumstances (e.g. giving small gifts around festive season or as a token of appreciation).
- g) It is of an appropriate type and moderate in value and given at an appropriate time, taking into account the reason for the gift.
- h) It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.
- i) Personnel should not accept any gift or hospitality if it could be misconstrued as a reward, an inducement or other corrupt act.

6.3 Entertainment

- a) Entertainment could be considered to be a bribe if it is given or received with the intention of influencing someone to act improperly, or as a reward for having acted improperly. Personnel are allowed to offer or accept entertainment and recreation, provided there is proper justification and subject to the authority limits specified by the Group.
- b) Entertainment activities shall be limited to only those individuals who have a legitimate business purpose. The Group will not pay for or reimburse expenses for the said individuals closely related person(s), i.e. spouse(s), family members, relatives or close associates who do not have a legitimate business purpose with the Group.

6.4 Donations and Sponsorships

- a) The Group allows charitable donations and sponsorships for legitimate reasons and as permitted by existing laws and regulations.
- b) All requests for charitable donations and sponsorships are subject to a due diligence check and to the authority limits specified by the Group.

6.5 Political Donations

- a) Generally, the Group does not make or offer monetary or in-kind political contributions to any political party, political party official or candidate running for political office.
- b) The Group may ONLY make political contributions where such contributions are permitted under applicable law(s). The authority to approve such political contributions is with the Managing Director of the operating subsidiary in consultation with the Board of Directors of the Company.

- c) Any political contribution by the Company or a subsidiary SHALL NOT be made with an intention to obtain or retain business or an advantage for the benefit of the Group or a Subsidiary.

6.6 Facilitation Payments

- a) The Group recognises that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action.
- b) Kickbacks are typically made in exchange for a business favour or advantage.
- c) Facilitation Payments are classified as acts of bribery and corruption under the MACC Act and are illegal. As such, the Group prohibits the giving, offering, or promising of Facilitation Payments of all kinds by either Personnel or Business Associates acting on behalf of the Group. Personnel are also prohibited from receiving or requesting such payments whether in cash or in kind.

7 PERSONNEL AND BUSINESS ASSOCIATES' RESPONSIBILITIES

- 7.1 The Group is committed to conducting our business in a fair, transparent and ethical manner. The Group will only do business with entities or individuals who share the same values as the Group and will uphold the Group's principle of applying high ethical standards in our business dealings.
- 7.2 The Group shall also conduct due diligence on every Personnel and Business Associates, projects and major business activities including donations and sponsorship, in particular where there is significant exposure to bribery and corruption risk, in line with this Policy.
- 7.3 The Group encourages Personnel and Business Associates to report any suspected, attempted or actual bribery and corruption cases, and prohibits retaliation against those making reports in good faith. The Group also provides assurance that no Personnel shall be penalised or suffer any adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

8 FAILURE TO COMPLY

- 8.1 The Group regards bribery and acts of corruption as serious matters and will impose penalties in the event of non-compliance with this policy. For Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.
- 8.2 For Business Associates and other external parties, non-compliance may lead to penalties including termination of contracts. Further legal action may also be taken in the event that the Group's interests have been impacted by non-compliance by individuals and organizations.

9 RAISING CONCERNS (WHISTLEBLOWING)

- 9.1 The Group strongly encourages reporting (whistleblowing) of real or suspected cases of bribery and corruption without fear of retaliation or reprisal.
- 9.2 The Group has established an avenue for the reporting of bribery, corruption and other forms of misconduct, including violations of this Policy through designated secure channels, available to all Personnel and external parties including Business Associates. Details of the whistleblowing procedure are available in the Group's Whistleblowing Policy.

- 9.3 The Group is committed to the enforcement of this Policy and provides assurance that whistleblowers will not suffer any form of retribution, victimization or detriment, so long as the reports are done in good faith (i.e. not done with malicious intent and without substantiation in order to damage another person or organisation). Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken regarding the facts, rules and procedures involved.

10 ANTI-BRIBERY AND CORRUPTION COMPLIANCE FUNCTION

- 10.1 The Group shall maintain an independent anti-bribery and corruption compliance function through the Risk Management Committee to oversee the design, implementation, management, and improvement of the Group's anti-bribery and corruption policies and procedures (integrity programme).

11 TRAINING AND AWARENESS

- 11.1 The Group shall conduct awareness programmes for all Personnel on the Group's position and practices regarding anti-bribery and corruption, integrity and ethics.
- 11.2 Training shall be provided on a regular basis, in accordance with the level of bribery and corruption risk related to the position and function.

12 RECORD-KEEPING

- 12.1 The Group shall keep detailed and accurate financial and other records, and shall have appropriate internal controls in place as evidence of all payments made. The Group shall report and keep a written record of the amount and reason for gifts, hospitality and entertainment received and given, including donations, sponsorships and expenses of similar nature, and understand that such expenses are subject to management review.

13 AUDIT REVIEW AND MONITORING

- 13.1 The Internal Audit Department is responsible for monitoring the adequacy and operating effectiveness of this Policy and shall review its implementation on a regular basis, including assessing its suitability, adequacy and effectiveness.
- 13.2 Internal control systems and procedures designed to prevent bribery and corrupt gratification are subject to regular audits to ensure that they are effective in practice.
- 13.3 The Group may amend this Policy at any time so as to improve its effectiveness at combatting bribery and corruption.