



SAPURA RESOURCES BERHAD

**ANTI-BRIBERY AND
CORRUPTION POLICY
(ABC POLICY)**

TITLE	Anti-Bribery and Corruption Policy (“ABC Policy”)
VERSION	1.0
APPLICABILITY	Sapura Resources Berhad (“SRB”) and all its subsidiaries.
APPROVED BY	Board of Directors of Sapura Resources Berhad
APPROVAL DATE	28 th November, 2019
EFFECTIVE DATE	28 th November, 2019
POLICY SPONSOR	Legal and Secretarial Department
SCOPE	This Anti-Bribery and Corruption Policy (ABC) is applicable to SRB and across all subsidiaries of SRB, all levels and all business/support units in SRB.
REGULATORY REQUIREMENTS	<ol style="list-style-type: none"> 1. Malaysian Anti-Corruption Commission Act 2009 2. Malaysian Anti-Corruption Commission (Amendment) Act 2018 3. Penal Code

Table of Contents

1.	Policy Statement	1
2.	Purpose.....	1
3.	Scope and applicability	1
4.	Responsibility of this ABC Policy.....	2
5.	Compliance with laws and regulations	2
6.	Infringement of this ABC Policy.....	2
7.	Corruption and bribery.....	2
8.	Gifts, Hospitality and Entertainment	4
9.	Facilitation Payments	7
10.	Kick-backs.....	7
11.	Corporate Social Responsibility (CSR), Sponsorships and Charitable Donations	7
12.	Political Contributions	8
13.	Dealing with public official.....	8
14.	Dealing with third parties.....	8
15.	Your responsibilities.....	10
16.	Record keeping.....	10
17.	Raising concerns & Speak Up.....	10
18.	Victim of bribery or corruption	11
19.	Protection and reporting violations	11
20.	Training and communication	11
21.	Monitor and review.....	12

1. Policy Statement

SRB and its subsidiaries (hereafter collectively referred to as “SRB”) adopt a zero-tolerance policy against all forms of bribery and corruption. We are committed to the highest standards of ethical conduct and integrity in business activities. We shall act professionally, fairly and with integrity. We are also fully committed to comply with all laws and regulations which govern our business and operations.

This ABC Policy shall be read together with SRB’s other internal policies/procedures/guidelines/manuals including but not limited to SRB’s Code of Conduct, Employee Handbook and Whistleblowing Policy.

2. Purpose

This purpose of this ABC Policy is:-

- to set out SRB’s responsibilities and responsibilities of all our employees, officers and directors to observe and uphold SRB’s stance on zero-tolerance to bribery and corruption.
- to provide information and guidance on how we expect our employees and those working for us to conduct themselves.
- to provide guidance on how to recognise bribery and corruption and to set out the procedure on how to raise concerns on breaches of this policy, without fear of reprisal.
- to ensure that SRB has adequate procedures in place to prevent and detect bribery and corruption.
- to protect SRB against the possible penalties and repercussions resulting from acts of bribery and corruption.

3. Scope and applicability

The scope of this ABC policy applies to SRB and all its subsidiaries. It is applicable to all directors, officers and employees (whether permanent, contract or temporary) of SRB and its subsidiaries.

SRB also expects that third parties that have dealings with SRB such as agents, distributors, representatives, contractor, sub-contractors, suppliers, vendors, consultants, customers and others who perform work or services for and on behalf of SRB will comply with the relevant parts of this ABC policy when performing such work or services.

This ABC policy is not intended to provide answers to all questions regarding bribery and corruption. Instead it is intended to provide the directors, officers, employees and third parties with a guide on how to prevent and detect bribery and corruption in pursuant to SRB’s commitment to zero-tolerance on bribery and corruption.

4. Responsibility of this ABC Policy.

SRB has formed an Integrity and Governance Unit (“IGU”) which shall be primarily responsible for the implementation and administration of this ABC Policy. The IGU will be headed by the Integrity & Governance Officer (“IG Officer”). The IGU has the responsibility for monitoring the use and effectiveness of this ABC Policy and dealing with any queries on its interpretation. The IGU reports directly to the Board Audit and Risk Committee and the Board of Directors.

5. Compliance with laws and regulations

This ABC Policy shall at all times comply with the laws and regulations of Malaysia. In the event of any inconsistency or conflict between the provisions of this policy and the laws of Malaysia, the latter shall prevail. The paramount laws on bribery and corruption is the Malaysian Anti-Corruption Commission Act 2009, Amendment Act 2018 (“MACC Act”) and the Penal Code (Chapter IX).

6. Infringement of this ABC Policy

The infringement of this ABC Policy shall constitute a serious misconduct or offence that warrants a disciplinary action up to and including dismissal against the offender.

7. Corruption and bribery.

Corruption is defined as abuse of position for personal gain or misuse of position to help others to improperly enrich themselves.

Bribery is the most common form of corruption and it can be broadly described as the offering, promising, giving, accepting or soliciting of an advantage as an inducement or reward for an action which is illegal or a breach of trust in order to gain any commercial, contractual or personal gain or advantage.

Bribery can be in the form of cash and other forms including non-cash gifts, lavish entertainment or hospitality or other reward or benefit. Bribes can be direct (e.g. you give a bribe to someone) or indirect (e.g. you get someone else to give a bribe to another person).

It is important to note that it will be irrelevant whether the bribe was accepted or not, was given or not, merely by offering the bribe would be sufficient for an offence to be committed.

Bribery and corruption are punishable offences under the MACC Act. There are 4 main offences prescribed by MACC Act:

- i. Soliciting/receiving gratification as per Section 16 & 17(a);
- ii. Offering/giving gratification as per Section 17(b);
- iii. Intending to deceive (false claim) as per Section 18;
- iv. Using office or position for gratification as per Section 23.

Additionally, any breaches of this ABC Policy may tantamount to a breach of Section 17A of the MACC Act in which in the event any commercial organisation commits an offence under Section 17A shall, on conviction, be liable to:-

- a. A fine not less than 10 times the sum or value of gratification or RM1million, whichever is higher; OR
- b. Its officers concerned, imprisonment for a term not exceeding 20 years, or BOTH.

Gratification as defined in MACC Act as:-

- a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property, whether movable or immovable, financial benefits;
- b) Office, dignity, employment, contract of employment/services and agreement to give employment/render services in any capacity;
- c) Payment, release, discharge/liquidation of loan, obligation or other liability;
- d) Valuable consideration of any kind, 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, whether or not already instituted, and including the exercise or the forbearance from 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 (a) to (f).

Chapter IX of the Penal Code covers offences by public servants accepting and abetting in corruption.

8. Gifts, Hospitality and Entertainment

SRB acknowledges that Gifts, Hospitality and Entertainment (**G+H+E**) may be an appropriate business practice. However, improper or excessive G+H+E (which includes travel and accommodation) can be a form of bribery, corruption or gratification, which is prohibited under this ABC Policy.

a. Offering or giving G+H+E

Except as provided in this Policy, no G+H+E may be provided, directly or indirectly by SRB or any director, officer, employee or third party/ agent for or on behalf of SRB or any director, officer, employee.

G+H+E shall only be given if 1) it seeks to improve the image of SRB; 2) better present products and services; or 3) establishes cordial relations.

No G+H+E may be given where any giver is aware that it 1) will violate any Gift or Hospitalities policies or regulation which the recipient is subject to; and 2) is intended to induce an inappropriate advantage, reward or benefit from the recipient.

Any G+H+E that SRB offers or gives in connection with SRB's business must:

- where it is to be provided to a public official, must be in compliance with the applicable governmental policy or guidelines in the jurisdiction where the public official is, for the giving of G+H+E to such public official;
- be given as a legitimate, justified business courtesy;
- be given in an open manner;
- not create an expectation that the employee or SRB will receive something in return;
- be in good faith and reasonable in value and frequency;
- be compliant with any applicable laws, rules and regulations;
- be expensed in accordance with the appropriate business expense policies and procedures;
- not influence or appear to influence the independence of the receiver of the G+H+E;
- not be provided to a customer when SRB is bidding for a contract, if those receiving the G+H+E have some influence on the contract decision, unless the G+H+E takes the form of basic refreshments provided as a business courtesy;
- not be cash (or cash equivalents such as vouchers, gift cards, credit cards or credit notes);
- not be, or give the appearance of being, lavish, offensive or inappropriate (for example, adult entertainment); and

- not be in the form of per diem or daily payments (unless with the prior, written approval of the MD and will only be provided if there is a legitimate government directive requiring such payments).

b. Receiving G+H+E

All directors, officers and employees as well as any third party/agent acting for or on behalf of SRB, or its directors, officers and employees are prohibited from:

- accepting any payments (including cash or cash equivalents such as vouchers, gift cards, credit cards or credit notes);
- requesting gifts, contributions, gratuities, services or bribes from SRB's suppliers, or clients, regardless of its worth;
- accepting any G+H+E from a supplier when they are bidding for a contract, if those receiving the G+H+E have some influence on the contract decision, unless G+H+E takes the form of basic refreshment as a business courtesy;
- accepting any G+H+E that is, or gives the appearance of, being lavish, offensive or inappropriate (for example adult entertainment);
- accepting any favours that might be regarded as placing you under some obligation to such person or party;
- accepting any gifts, the value of which is likely to be more than RM300 from an individual or a party. In the event of receipt of a gift that is more than RM300, you are required as soon as practicable, and in any event no more than three (3) working days after receipt, to declare this gift to your MD and the IG Officer and obtain both written approvals before you are entitled to retain or utilise the gift. In the event the MD approves the acceptance of the gift, the MD will determine the treatment of the gift whether to:-
 - i. donate the gift to charity;
 - ii. hold the gift for departmental display;
 - iii. share with other employees in the department;
 - iv. permit it to be retained by the employee.
- accepting any G+H+E in the form of per diem or daily payments;
- accepting tickets to entertainment, cultural, social or sporting events without both the giver and receiver attending;
- accepting from, a business contact of SRB any G+H+E in your personal capacity or through any family member or agent to avoid the requirements of this G+H+E Policy;

SRB will maintain a Gifts register for all the gifts that have been received and given by SRB. This Gift register will be maintained by the IGU. All employees are required to register all gifts that they receive or provide.

c. G+H+E Policy for Directors

Company Directors must be themselves committed to refrain from offering, giving or receiving any G+H+E (in kind, cash, advantages, favour or otherwise) from Third Parties who deal with SRB where the G+H+E would reasonably be expected to influence the performance of the Director's duties in any aspect.

d. Spouses, family member and Partners

SRB directors, officers and employees are not permitted to offer or provide G+H+E to a spouse, a family member or a partner of a Third Party.

e. Specific Exceptions to the G+H+E policy

There are exceptions to the general rule whereby the receiving and giving of G+H+E are permitted in the following situations:

- Exchange of gifts at company to company level (exchange of gifts as part of official company visit and the gift is treated as company's property);
- Gifts from SRB to external bodies in relation to company's official functions for e.g 1) for the promotion, demonstration or explanation of products and services; 2) execution or performance of the business relationship; or 3) building a business relationship;
- Gifts from SRB to employees and directors and/or their family members in relation to a recognised company function, event and celebration;
- Token gifts of nominal value that carried the Sapura logo (eg. T-shirts, pens, diaries, calendars) that are given out equally to members of the public, customers, shareholders and is deemed as part of SRB's brand building and promotional activities.

In all cases, no director, officer or employee may receive G+H+E (excluding basic refreshments provided as a business courtesy) more than four times in a rolling 12-month period from the same Third Party and make reasonable efforts to ensure that no individual shall receive G+H+E (excluding basic refreshments provided as a business courtesy) from SRB more than four times in a rolling 12-month period. For the avoidance of doubt, no G+H+E, regardless of value or frequency, shall be offered, given, solicited or accepted where there is a corrupt motive.

9. Facilitation Payments

Facilitation payments are typically small, unofficial payments made to secure or expedite the performance of a routine or necessary action (such as the issuance of permits, licences, processing visas or work permits, provisions of mail pick-up service etc) to which the payer is entitled, legally or otherwise.

Offering, promising, requesting, paying facilitation payments is strictly prohibited. The facilitation payments need not involve cash or other asset, it can be any sort of advantage to influence them in their duties.

All directors, officers and employees must not offer, promise, give, request, accept or receive anything which may be regarded as a facilitation payment. If any employee does receive a request or offered facilitation payment, the said employee must immediately report to either directly to the IG Officer or to the SRBethicsline@sapura.com.my

10. Kick-backs

Kick-backs are typically payments made in return for a business favour. These kick-backs are fulfilled after a company has awarded a contract. They take place in purchasing, contracting procurement or other departments responsible for decisions to award contracts. The supplier provides the bribe by kicking part of the contract fee back to the buyer, either directly or through intermediary.

All directors, officers and employees must avoid any activity that might lead or suggest that kick back will be made by or on behalf of SRB. Any suspicions, concerns or queries regarding a payment should be reported to the IG Officer via the email SRBethicsline@sapura.com.my

11. Corporate Social Responsibility (CSR), Sponsorships and Charitable Donations

These are legitimate activities for entities but can be abused by being used as a subterfuge for bribery. Any CSR, sponsorship and donations must not be used to facilitate corruption, bribery and money laundering activities.

Process for CSR, Sponsorship and Charitable Donations

- All requests for CSR, sponsorship and donations must be carefully examined for legitimacy and it must not be made to improperly influence a business outcome.

- The recipient must be a legitimate organisation and due diligence carried out to ascertain that the benefits reach the intended recipients whilst the programmes meet the intended objectives.
- No CSR, sponsorship and donations shall be made to beneficiary who is controlled by any political officials.
- All CSR, sponsorship and donations must be made in accordance to the approval limits in the Limits of Authority.

12. Political Contributions

SRB does not make or offer monetary contributions to political parties or candidates for political office.

13. Dealing with public official

Public official means an individual having a public official functions or acting in a public official capacity, and include any of the following:-

- “officer of a public body” as defined in the Malaysian Anti-Corruption Commission Act 2009;
- An officer or employee of any government body or agency or statutory body, ministry or department of the government (of any level);
- Police, military, paramilitary, security services, police force, customs, border patrol, legislatures and judicial system of any country;
- elected political representative;
- political party and any officer, employee or other person acting on behalf of a political party;
- candidate for public office;
- member of a ruling or royal family;
- special adviser to governments, or individual government officials, whether paid or unpaid, formal or informal; and
- family member of any of the above.

SRB strictly prohibits the paying of non-business travel and hospitality for public official.

14. Dealing with third parties

Third party means any individual or organization which the employees comes into contact during the course of their work for or with the company and it include but not limited to existing and potential customers, suppliers, vendors, consultants, advisers, agents, brokers, distributors.

All SRB's dealings with third parties must be carried out in compliance with all relevant laws and consistent with this ABC policy.

SRB expects that all third parties acting for and on its behalf to adhere to SRB's Anti Bribery and Corruption Policy ("ABC Policy") as their conducts and actions may implicate SRB and tarnish SRB's reputation. The third parties must subscribe to SRB's stance on zero tolerance on bribery and corruption. Thus, in situation where we engage third parties such as contractors, agents, intermediaries, representatives, joint venture partners, we will be obligated to conduct appropriate due diligence on these third parties. This to ensure that we are dealing with third parties that subscribe to SRB's values and ethical conduct.

To further ensure that SRB does business with third parties that share our standards of integrity, we must do the following:

- Conduct due diligence to assess the integrity of the third parties.
- Do not enter into business dealings with any third party that is suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
- All third parties must be made aware of SRB's ABC Policy, Code of Conduct, Whistleblowing Policy and our expectations of them.
- To periodically monitor third party performance and business practices.

Prior to the engagement or commencement of any business or professional relationship, all third parties must sign a declaration form which states that:-

- They understand and will comply will all laws relating to anti bribery and anti - corruption.
- They are committed to the ABC Policy.
- They have not been convicted or subject to any investigations by the relevant authorities for actual or suspected breach of law.
- They undertake to inform SRB of any breach/infringement of this ABC Policy.
- They agree that the declaration form shall form part of the terms and conditions of their appointment and/or contract of service.
- They acknowledge that SRB has the right to terminate or suspend their contract and disqualify them from tendering for future contracts if they are found to be in breach of the ABC Policy.

If during the due diligence exercise or in the dealings with the third party, there are "red flags" being raised, these "red flags" must be investigated and addressed before the engagement of the third party can proceed.

Examples of “red-flags” include the following:--

- The transaction is with a company that is a country known for high incidence of corrupt payments;
- The third party has “special” ties with government or public officials.
- Reference check revealed a flawed background or reputation for getting things done regardless of the circumstances or suggest that for a certain amount of money, the third party can fix the problem
- Objection to anti-bribery warranties in the agreements/contract
- Convoluted payment arrangements such as payment in cash, payment to third party or request for upfront payment for expenses or other fees
- The third party requests for his/her identity not to be disclosed
- Lack of an office or established place of work

If all the red flags are sufficiently mitigated, then SRB, on presentation of the record of mitigation plans and action formulated and taken, may proceed with the relationship. If the red flags are not sufficiently mitigated, then further work need to be carried out prior to entering into a contract.

15. Your responsibilities

It is the responsibilities of all employees, officers and directors of the company to prevent, detect, report any bribery and other forms of corruption.

16. Record keeping

SRB must keep the financial records and have appropriate internal controls in place which will evidence the business reason for any payments made to third party.

All directors, officers and employees must ensure that all expenses relating to gifts, hospitality and entertainment expenses incurred are submitted in accordance with the company’s expense policy and record the reason for such expenditure.

All accounts, invoices and records relating to dealing with third parties must be maintained with strict accuracy. No accounts must be kept “off-book” to facilitate or conceal improper payments.

17. Raising concerns & Speak Up

It is vital that all directors, officers or employees and third party agents adhere and comply with this ABC Policy and SRB encourage them to act as our first line of defence by raising their concerns and speaking up when they see, or become aware of bribery, corruption and gratification.

Any queries or uncertainties whether a particular act constitutes bribery or corruption may be raised with the IG Officer.

SRB has an environment where employees can raise concerns and report without fear of reprisal or retaliation through the Whistleblowing channel and/or through SRBethicsline@sapura.com.my .

All concerns raised are taken seriously and SRB is committed to ensuring that all matters raised are appropriately investigated, to the extent that this is possible. For concerns raised with the IG Officer or via the SRB Ethics Line, the IGU aim to conclude all investigations within 60 calendar days.

18. Victim of bribery or corruption

It is mandatory for a directors, officers or employee to report to the IG Officer if they:-

- are being offered a bribe by third party; or
- are being asked to make one; or
- suspect that it may happen in the future; or
- reasonable believe that another employee is a victim of bribery.

19. Protection and reporting violations

SRB is committed in ensuring that no one will suffers any detrimental treatment as a result of refusing to take part in bribery or corruption or because of reporting in good faith their suspicion that an actual or potential bribery has taken place or make take place in the future.

If the director, officer or employee believe that he/she has suffered such any unfair treatment or retaliation, they can report the to the IG Officer for investigation. If the matter is not remedied, then they may raise the matter with the MD.

Concerns may also be raised through the whistleblowing policy which the concerns with go to the Whistleblowing Committee.

20. Training and communication

Training of this ABC Policy is mandatory and attendance is compulsory for all directors, officers and employees. Training on this ABC Policy forms part of the induction process for all new employees. Thereafter all existing directors, officers and employees will be required to attend periodic updates, reviews and training on how to implement and adhere to this policy.

SRB's zero tolerance stance on bribery and corruption and this ABC Policy must be communicated to all third parties at the outset of all SRB's business relationship with them.

This policy is available on SRB's website at www.sapura-resources.com

21. Monitor and review

The IG Officer will monitor the effectiveness and the review the implementation of this policy. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

The IG Officer will report regularly on compliance of this policy to the Board Audit and Risk Committee and the Board of Directors.

All directors, officers, employees and third party/agents are responsible for the success of this policy and should ensure that they use it to disclose any bribery or corruption. All directors, officers and employees are invited to comment on this policy and suggest ways to improve it. Any comments, suggestions or queries should be addressed to the IG Officer.

This ABC Policy will be reviewed periodically by SRB and may be amended at any time. All directors, officers and employees will be notified of any material revisions to this Policy.

The remainder of this page is intentionally left blank