

**H  MERITZ
CORPORATION BERHAD**

**ANTI-BRIBERY
AND
CORRUPTION POLICY**

1. INTRODUCTION

Homeritz Corporation Berhad (“the Company “or “Homeritz”) and the subsidiaries (“the Group”) acknowledges the importance in conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery is prevented. This Anti-Bribery and Corruption Policy (“ABC Policy” and/or “Policy”) sets out the Group’s principles in dealing with improper solicitation, bribery and other corrupt activities and related issues that may arise in the Group’s course of business. This Policy should be read in conjunction with the Group’s various policies & guidelines, which are the Group’s Code of Conduct and Whistleblowing Policy & Procedure (which are publicly available on the Company’s website). This Policy is not intended to provide definitive answers to all issues related to bribery and corruption. If multiple documents speak on the same subject, then the more stringent provision shall apply at all times.

2. OBJECTIVE

This ABC Policy sets out the Groups overall position on bribery and corruption in all its forms. The Policy is not intended to be exhaustive as there may be additional obligations that the Personnel is expected to adhere to or comply when performing their duties. For all intents and purposes, the Personnel shall always observe and ensure compliance with this Policy and all applicable laws, rules and regulations in the performance of their duties.

3. ANTI-BRIBERY AND CORRUPTION COMMITMENT

The Group adopts a “zero-tolerance approach” towards any form of bribery and corruption in conducting its business. All Business Associates acting on the Group’s behalf, the Board of Directors and all the Group’s Personnel must uphold the highest standard of integrity and accountability in discharging their duties and to ensure that all business activities are conducted in compliance with the applicable legal and regulatory requirements on anti-bribery and anti-corruption, both in letter and spirit.

The Board of Directors is primarily responsible for ensuring that the Group:

- i. practices the highest level of integrity and ethics;
- ii. complies fully with the applicable laws and regulatory requirements on anti-corruption; and
- iii. effectively manages the key corruption risks of the organisation.

Thus, for this purpose, the Group should carry out the following:

- i. establish, maintain, and periodically review an anticorruption compliance program which includes clear policies and objectives that adequately address corruption risks;
- ii. promote a culture of integrity within the organisation;
- iii. issue instructions on communicating the organisations’ policies and commitments on anticorruption to both internal and external parties;
- iv. encourage the use of any reporting (whistleblowing) channel in relation to any suspected and/or real corruption incidents or inadequacies in the anticorruption compliance programme;
- v. assign and adequately resource a competent person or function (which may be external to the organisation) to be responsible for all anticorruption compliance matters,

- vi. ensure that the lines of authority for personnel tasked with responsibility for overseeing the anticorruption compliance programme are appropriate;
- vii. ensure that the results of any audit, reviews of risk assessment, control measures and performance are reported to all top level of management including the full Board of Directors, and acted upon.

4. APPLICATION

This ABC Policy is applicable to the Group, its Business Associates acting on the Group's behalf, the Board of Directors and all the Group's Personnel and shall be amended from time to time in line with laws and regulatory requirements. All reviews and changes therein must be approved by the Board of Directors before coming into effect.

Contractors, sub-contractors, consultants, agents, representatives, and others performing work or services for or on behalf of the Group are made aware of, understand, and will comply with this policy as it pertains to their work or services.

The Group will regularly review and monitor the behaviour of external parties to ensure they adhere to this policy.

5. DEFINITION

“Bribery & Corruption” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act (MACCA) 2009. 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 senior decision-maker or someone with access to confidential information

“Gratification” is defined in the MACCA to mean the following:

- a) money, donation & sponsorship, 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, and joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

“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 at the Group.

“Corporate Gift” means something given from one organisation to another organisation or individuals, with the appointed representatives giving and accepting the gift. Corporate Gifts may also be promotional items given out equally to the general public at events, functions, trade shows and exhibitions as a part of building the company’s brand and include gifts from the company to its personnel in relation to an internally or externally recognised company’s events, functions or celebrations. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate Gifts normally bear the company’s name and logo. Examples of Corporate Gifts include items such as diaries, table calendars, pens, notepads and plaques.

“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;

“Facilitation payment” means an unofficial payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function.

“Hospitality” means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as the Group’s offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included;

“Personnel” means directors and all individuals directly contracted to the Group on an employment basis, including permanent and temporary employees, including their family members and/or agents and/or appointed representatives.

6. CONFLICTS OF INTEREST

The Personnel shall avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between the Groups or external parties. In situations where a conflict does occur, the Personnel shall declare the matter to Administrative Department or management.

7. GIFTS, ENTERTAINMENT, HOSPITALITY AND TRAVEL

The Group's Personnel are prohibited from directly, or indirectly, receiving or asking for (soliciting) gifts. Which include cash or cash equivalent in the form of gift certificates, loans, commissions, coupons, discounts or any other related forms. It is the responsibility of the Personnel to inform external parties involved in any business dealings with the Group that the Group practices a "No-Gift" policy and to request the external party's understanding to adhere to the said policy.

Although the general principle is to immediately refuse and return gifts offered by the external party, accepting or receiving a gift on behalf of the Group may be allowed only under limited circumstances as follow:

- a) Corporate Gift not exceeding RM500;
- b) Customary and lawful under the circumstances;
- c) Do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions;
- d) No expectation of any specific favour or improper advantages from the intended recipients;
- e) Independent business judgment of the intended recipients not affected;
- f) No corrupt / criminal intent involved; and
- g) Gift and Hospitality to be done in an open and transparent manner.

When in doubt, Personnel is to consult the Administrative Department or management.

If a Business Associate offers a Personnel a gift which falls outside of (a) to above, the Personnel shall politely decline and explain the rules in force in the Group. Subject to (a), the Personnel may accept the gift on the Group behalf and hand over the gift to the MD/CEO who may decide that the gift be given to charity, included in a festive draw within the departments or share with other employees in the department.

8. DONATIONS AND SPONSORSHIPS

Contributions or donations made by the Group to community projects or charities need to be made in good faith and in compliance with the Group's Code of Ethics, applicable law, this Policy and all relevant the Group's policies and procedures.

The Group does not make charitable donations or contributions to political parties. Whilst employees are permitted to make personal political contributions, the Group will not make any reimbursement for these personal political contributions back to its employees.

9. FACILITATION PAYMENTS

The Group adopts a strict policy of disallowing the use of facilitation payments in its business.

The Personnel shall decline to make the payment and report to MD/CEO immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been made and Personnel are unsure of the nature, the MD/CEO must be notified

immediately, and the payment shall be recorded accordingly. The Personnel must not promise or offer, or agree to give or offer, facilitation payments to any other party.

10. RECORD-KEEPING

The Group will keep detailed and accurate financial records, and will have appropriate internal controls in place to act as evidence for all payments made. We will declare and keep a written record of the amount and reason for hospitality or gifts accepted and given, and understand that gifts and acts of hospitality are subject to review and audit.

11. TRAINING AND COMMUNICATION

The Group will provide training on this policy as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this policy, and will be asked annually to formally accept that they will comply with this policy.

The Policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners, and any third-parties at the outset of business relations, and as appropriate thereafter.

The Group will provide relevant anti-bribery and corruption training to employees etc. where we feel their knowledge of how to comply with the Policy needs to be enhanced. As good practice, all businesses should provide their employees with anti-bribery training where there is a potential risk of facing bribery or corruption during work activities.

12. REPORTING OF VIOLATION AND WHISTLEBLOWING POLICY

The Group has put in place the Whistleblowing Policy and Procedure to provide an avenue which serves as confidential platform for all the Business Associates and Personnel to report any acts of bribery or corruption, which protect the whistleblower from any risk of reprisal. Any concerns, questions, or reports should be addressed to the Head of Department, the Administrative Department, or the dedicated whistleblowing channel.

The Whistleblowing Policy and Procedure is available at the Company' website at <http://www.homeritzcorp.com>.

13. SANCTIONS FOR NON-COMPLIANCE

Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the management and Audit and Risk Management Committee of the Group in a timely manner in accordance with the level of risk identified.

The Group regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance with this Policy. For the Group's Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.

For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that the Group's interests have been harmed by the results on non-compliance by individuals and/or organisations.

14. MONITORING AND REVIEW

The Board of Directors are responsible for monitoring the effectiveness of this Policy and will review the implementation of it on a regular basis. The Board of Director will assess its suitability, adequacy, and effectiveness. The Group should undertake Corruption Risk Assessment once in every three years.

The risk assessment ought to cover external & internal risks, which may include:

- i. chances for corruption & fraud activities due to weaknesses in the organisation's governance framework & internal systems/etc.
- ii. financial transactions that may disguise corrupt payments
- iii. business activities in countries/sectors that pose a higher corruption risk
- iv. non-compliance of external parties acting on behalf of the organisation regarding legal & regulatory requirements related to anti-corruption.
- v. relationships with third parties in its supply chain (e.g. agents, vendors, contractors & suppliers)

Internal control systems and procedures designed to prevent bribery and corruption are subject to regular audits to ensure that they are effective in practice.