



HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

Anti-bribery and Anti-corruption Policy

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ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1. INTRODUCTION AND OBJECTIVE

This Anti-Bribery and Anti-Corruption Policy (“**Policy**”) sets out the position of Haily Group Berhad (“**Haily**” or “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) on bribery in all its forms and matters of corruption that might confront the Group in its day to day operations. It provides information and guidance to Directors and Employees of the Group (“**Directors**” and “**Employees**”) to recognise and deal with bribery and corruption issues.

This Policy is not intended to be exhaustive and should be read in conjunction with the all existing applicable laws, rules and regulations imposed by the Malaysian Government as well as the Group’s policies, which include, but are not limited to, the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act**”) (including any amendment thereof), the Group’s Whistleblowing Policy and the Group’s Code of Conduct and Ethics.

Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in discharging of their duties. The Policy sets out the practice of upholding high levels of personal and professional conduct and values in the Group’s business dealings and decisions.

2. POLICY STATEMENT

Haily has adopted a zero-tolerance policy against all forms of bribery and corruption. Haily is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. It is Haily’s policy to conduct all its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its good business practices.

“**Bribery**” – Bribery is the offering, promising, giving, solicitation or the receipt or agreement to receive any financial or other advantage, or any other inducement, or “**gratification**” (as defined and interpreted under Section 3 of the MACC Act) from any person or company, (wherever they are situated and whether they are a public official or body, or a private person or company) by an individual employee, agent or other person or body acting on another’s behalf.

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“Corruption” – Corruption is the abuse of entrusted power for a private gain. This Policy is intended provide the principles and guidelines on how to deal with instances of activities which may constitute bribery and corruption practices.

3. SCOPE AND APPLICABILITY

The Policy is applicable to all Directors and Employees (including full time, part-time, probationary, contract and temporary staffs) of the Group. The Policy should also apply to consultants, contractors, distributors, trainees, seconded staff, volunteers, interns, agents, sponsors, suppliers, customers, any third party and any other person associated with the Group. Each Director or Employee as well as persons associated with the Group must read and understand the Policy. Violation of any of the Policy’s provisions can result in disciplinary actions, including termination of employment and/or business dealings.

If a Director requires further clarification on the Policy, the Director may refer to the Board of Directors of Haily (“**Board**”), whereas for an Employee, the Employee may refer to his/her immediate superior (“**Superior**”) or Head of Department (“**HOD**”).

4. BACKGROUND

This Policy has been established in line with Section 17A of the MACC Act, which was enacted under the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The said Section 17A is effective 1 June 2020. Section 17A of the MACC Act provides that a commercial organization commits an offence if any person associated with the commercial organization commits a corrupt act in order to obtain or retain business or an advantage in the conduct of business for the commercial organization.

The term “commercial organization” is defined as: -

- (a) a company incorporated in Malaysia, whether carrying on business in Malaysia or elsewhere;
- (b) a company wherever incorporated and carries on business in Malaysia or part of a business in Malaysia;
- (c) a partnership under the Partnership Act 1961 or Limited Liability Partnership Act 2012, and carries on a business in Malaysia or elsewhere; or

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- (d) a partnership wherever formed and carries on a business or part of a business in Malaysia.

It is a defence to such corporate liability offence if the commercial organization can show that it had adequate procedures in place to prevent persons associated with the commercial organization from carrying out the corrupt act.

The Guidelines on Adequate Procedures issued by the National Centre for Governance, Integrity and Anti-Corruption (GIACC) under the Prime Minister's Department on 4 December 2018 pursuant to Section 17A(5) of the MACC Act is aimed at assisting commercial organizations to understand the procedures which ought to be implemented to prevent corrupt practices in their business activities.

A person is associated with a commercial organization if he/she is a director or an employee of the commercial organization, or is a person who performs services for or on behalf of the commercial organization, which likely includes agents engaged by the commercial organization.

5. GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION

(i) Gifts, Entertainment and Hospitality

The Group prohibits both the acceptance and provision of Gifts, Entertainment and Hospitality ("collectively referred to as the "Benefits") to influence business decisions and/or to obtain and retain business or secure an unfair advantage in any business transaction.

No Benefits shall be offered to or solicited from other stakeholders who deal with the Group in connection with their official duties if this would influence any business decision and/or give rise to the appearance of impropriety or bias that would damage the reputation of the Group.

For the avoidance of doubt, this Policy does not prohibit normal business courtesies such as meals and entertainment, occasional token gifts and customary gifts during festivals, special occasions or social events, as long as they are reasonable, appropriate, modest and bona fide corporate courtesies. Infrequent and moderate business meals and entertainment with clients and infrequent invitations to attend local social events and celebratory meals with clients can be appropriate

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aspects of promoting good business relationships, provided that they are not excessive and do not create the appearance of impropriety.

Directors and Employees must make use of good judgement, discretion and moderation when giving or accepting such courtesies in business settings and must comply with all applicable laws, rules and regulations in countries that the Group operates.

(ii) Charitable Donations and Sponsorships

The Group encourages and supports charitable donations and sponsorships to individuals, organisations, communities and societies who require special help and care. However, Directors and Employees must be careful to ensure that charitable donations and sponsorships are not used as a scheme to conceal bribery. All charitable donations and sponsorships shall be approved by any of the Executive Directors.

(iii) Political Contributions

As a matter of general policy, the Group does not make contributions to political parties or candidates. In very limited circumstances, if any contribution is to be made, it must be approved by any of the Executive Directors, permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return. Records of such contributions shall be properly maintained and kept by the Group.

(iv) Facilitation Payments to Officer of Public Body

Facilitation payments are unofficial payments or other benefits made to secure or expedite the performance of a routine action by an officer of the public body. Directors or Employees shall not promise or offer, or agree to give or offer, facilitation payments to an officer of any public body.

6. CORPORATE SOCIAL RESPONSIBILITY, DONATIONS AND SPONSORSHIPS

From time to time, the Group takes part in contributing to the well-being of the people and the local communities in the countries where it operates, the Group shall always

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ensure that all Corporate Social Responsibility (“CSR”) initiatives, donations and sponsorships are made in accordance with the Group policies and upon approval by any of the Executive Directors.

7. CONFLICT OF INTEREST

A conflict of interest occurs when the personal interest interferes or appears to interfere with the interest of the Group as a whole. Directors and Employees must avoid any conflict of interest with the Group and must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage.

Should an actual or potential conflict of interest arise, or may arise, the affected Directors and Employees shall make full disclosure to the Board, where applicable, the nature and extent of such conflict. The affected individuals shall then abstain from making a material decision with respect to any transaction, contract or proposed contract or arrangement in which they are interested, whether directly or indirectly.

8. BUSINESS RELATIONSHIP / VENDOR / CUSTOMER / CONTRACTOR / AGENT / CONSULTANT

Haily expects all Third Parties doing business with Haily to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this Policy. Haily requires all Third Parties to cooperate and ensure compliance with these standards, to continue the business relationship.

In order to maintain the highest standard of integrity, Haily will conduct the following to ensure Third Party shares that same standard and integrity:

- Conduct due diligence inquiries to review the prospective business counterparties
- All third parties are made aware of Haily’s Anti Bribery and Anti-Corruption Policy
- Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance

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All Business Relationship / Vendor /Customer / Contractor / Agent / Consultant is required to sign off the Anti-Bribery and Anti-Corruption form in the fight against Anti-Bribery and Anti-Corruption and uphold greater Transparency. **(Refer Appendix 1)**

9. EMPLOYEE RESPONSIBILITY

As an employee of Haily, you must ensure that you read, understand and comply with the information contained within this policy, and with any training or other anti-bribery and corruption information given.

All Haily's staff should comply with the following:

- 1) **Cannot** give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage;
- 2) **Cannot** give, promise to give, or offer payment to Third Party to "facilitate" or expedite a procedure;
- 3) **Cannot** accept payment from Third Party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- 4) **Cannot** accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided in return;
- 5) **Cannot** threaten or retaliate against another Employee who refuses to commit a bribery offence or who has raised concerns under this policy.

All employees are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption. When an employee has reasonable ground to believe there are any instances of malpractice or improper conduct, he/she may report the matter to the following channel.

Executive Directors

See Tin Hai : seeth@haily.my

Yoong Woei Yeh: yoongwy@haily.my

See Swee Ling : nicole@haily.my

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10. PROTECTION

If you refuse to accept or offer a bribe or you report a concern relating to the potential act of bribery and corruption, Haily understands that you may feel worried about potential repercussions. Haily supports anyone who raises concerns in good faith under this policy, even if the investigation finds that they were mistaken.

Haily will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe to other corrupt activities or because they report a concern relating to bribery and corruption.

If you have reason to believe you've been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform the Board immediately.

11. RECORD-KEEPING

The Group shall control and maintain proper financial records of all payments made to third parties to serve as evidence that such payments are bona fide and not linked to corrupt and/or unethical conduct.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.

12. REVIEW, MONITORING AND ENFORCEMENT

With an aim to ensure compliance and enforcement of this Policy, the Group shall appoint a qualified and independent third party to conduct an audit on this Policy at least once every three years. Audit documentation should include performance improvement action plans.

13. TRAINING AND COMMUNICATION

The Group shall conduct a timely refresher and awareness programme to all Directors and Employees to ensure they understand the Group's anti-corruption position.

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Training shall also be conducted on a regular basis, in accordance with the level of bribery and corruption risk related to the position. Training should be provided to individuals who are new to the Group or newly appointed to or currently holding an exposed position.

14. REPORTING VIOLATIONS OF THE POLICY

Any employee who knows of, or suspects, a violation of the Policy, is encouraged to report the concerns through the Group's Whistleblowing Channel. The provision, protection and procedure of the Whistleblowing Policy for reporting of the violations of the Policy are available on the Group's website at www.haily.my.

No individual will be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Policy.

15. WAIVER OF THE POLICY

Waiver of the application of this Policy may be granted by the Board of Haily as it deems fit and appropriate.

16. REVIEW OF THE POLICY

This Policy shall be reviewed by the Board at least every three (3) years or as required when internal or external events warrant a more frequent review to be undertaken.

This Policy was adopted by the Board on 2 September 2020.

This Policy was last reviewed and approved by the Board on 23 February 2022.



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Letter of Commitment for Anti-Bribery and Anti-Corruption

I hereby declare that I understand the stated Policy and all its terms and conditions. I will ensure full compliance that I and/or any other personnel representing my company shall not give or offer a bribe to any individual in Haily Group Berhad and its subsidiaries (collectively referred to as the “Group”), as a bribe to obtain individual or business purpose advantage:

Name	
NRIC	
Company Name	
Company Registration Number	

If I or any personnel representing my company is found guilty of offering or giving bribes to any individual in the Group, then I as the representative of my company hereby consent and agree to the following actions to be taken against the company:

1. Termination of contract/agreement and any other business relations.
2. Disciplinary action in accordance with the Malaysian Anti-Corruption Act 2009.

Yours Sincerely,

.....
Authorised Signatory

Name :
Designation :
Date :