



SYCAL VENTURES BERHAD

**SYCAL GROUP'S
ANTI-BRIBERY AND
CORRUPTION MANUAL
("ABC MANUAL")**

Version 1.00

Effective 1 May 2020

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TABLE OF CONTENTS

Chapter 1: INTRODUCTION.....	4
1.1 Overview	4
1.2 Application	5
1.3 Brief Review of Bribery and Corruption.....	5
1.4 Key Principles	7
1.5 Definition of Terms	8
Chapter 2: GIFT, BENEFITS & ENTERTAINMENT.....	10
2.1 “No Gift” and “No Entertainment” Policy	10
2.2 Receiving Gifts or Benefits	11
2.3 Providing Gifts or Benefits.....	13
2.4 Receiving Entertainment	14
2.5 Providing Entertainment.....	14
2.6 Summary	15
Chapter 3: CORPORATE HOSPITALITY	16
3.1 Introduction to Corporate Hospitality	16
3.2 Receiving Corporate Hospitality	16
3.3 Providing Corporate Hospitality	17
Chapter 4: DEALING WITH THIRD PARTIES	19
4.1 Dealing with Third Parties.....	19
4.2 Dealing with Contractors and Suppliers.....	20
4.3 Dealing with Joint Venture Partners.....	21
4.4 Dealing with Public Officials	21
4.5 Political Contributions.....	22
Chapter 5: CORPORATE SOCIAL RESPONSIBILITY (CSR)	23
5.1 Corporate Social Responsibility (CSR).....	23
5.2 Donation or Sponsorship	24
5.3 Educational Scholarship	25
Chapter 6: FACILITATION PAYMENT	26
Chapter 7: MONEY LAUNDERING	27
Chapter 8: RESPONSIBILITIES	28
8.1 ABC is Everyone’s Responsibility.....	28
8.2 Failure to Report.....	28
8.3 Record Keeping	29

8.4	Communication & Training	30
8.5	Monitoring & Review	30
8.6	Continuous Improvement	30
8.7	Sanctions for Non-Compliance	31
Chapter 9: WHISTLEBLOWING.....		32
9.1	Whistleblowing Policy	32
9.2	Confidentiality & Protection	32
Chapter 10: CONCLUSION		33
10.1	Summary.....	33
10.1	Waiver.....	33
10.2	Further Clarifications	33

Chapter 1: INTRODUCTION

1.1 Overview

Sycal Ventures Berhad and its subsidiaries (hereinafter referred to as “Sycal Group”) has adopted a **zero tolerance policy** against all forms of bribery and corruption. Sycal Group is committed to conducting the business ethically, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

This Sycal Group’s Anti-Bribery and Corruption Manual (hereinafter referred to as the “ABC Manual” or “Manual”) elaborate upon those principles and guidance for Employees, the Board and Third Parties on how to deal with improper solicitation, bribery and corruption issues that may arise in the course of business.

In other words, Sycal Group does expect that the suppliers, contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of Sycal Group will comply with the guidelines outlined within this Manual.

Joint Venture (“JV”) companies in which Sycal Group is a non-controlling co-venturer and associated companies are encouraged to adopt similar principles and standards.

The purpose of this Manual is to:

- Provide information and guidance to any Third Parties related to Sycal Group on how to recognize and deal with corruption and bribery issues.
- Clarify your duties and responsibilities in relation to anti-bribery and corruption laws.
- Outline the internal control mechanism applied to prevent situations in which bribery and corrupt practices may take root.

This ABC Manual are not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, they are intended to provide you with a basic introduction to how Sycal Group combats bribery and corruption, as part of the group’s commitment to lawful and ethical business practices.

If you have any doubt about the nature and scope of this ABC Manual or any other applicable ABC laws, you should always contact and consult the **Chief Integrity Officer** (“CIO”) or any senior member in the **Risk Management Committee** immediately.

“ALWAYS ASK WHENEVER IN DOUBT”

Engaging in bribery or corrupt practices can have **severe consequences for you and to Sycal Group**. You may face dismissal, fines and imprisonment, and the company may face damage to reputation, financial loss, business disruptions and many other negative consequences.

If in breach of the laws, you may face: (i) Dismissal; (ii) Fine; (iii) Imprisonment; and/ or (iv) All of the above.

An electronic version of this ABC Manual is also available at <http://www.sycalberhad.com>

1.2 Application

This Manual is intended to apply to:

- Every **Employees** of Sycal Group (i.e., senior managers, managers and all individual working at all levels and grades);
- **Board** of Directors (i.e., whether full time, part-time, contract or temporary); and
- Any **Third Parties** associated with Sycal Group (i.e., any individual or organization that may come into contact during the course of his or her engagement with Sycal Group, which may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisers, government and public bodies including their advisors, representatives and officials)

Note that this Manual is applicable to the Employees, the Board and the Third Parties, at any jurisdiction of which Sycal Group is having business within. The applicability of this Manual is not limited to Sycal's business in Malaysia only. Rather, you are still bounded by guidelines within this Manual and any relevant laws when you travel to other foreign countries.

Note that in the case if a law conflicts with the guidelines or policies outlined within this Manual, the law prevails and you should comply with the law. If you perceive that a provision in this Manual conflicts with the law in your jurisdiction, you should consult the Chief Integrity Officer or any senior members in the Risk Management Committee, rather than disregard this Manual without consultation.

1.3 Brief Review of Bribery and Corruption

Based on Malaysian Anti-Corruption Commission (MACC), corruption 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. An example, a contractor rewards a gift in the form of an expensive watch to a Government official for awarding a project to the company belonging to the contractor.

Based on Malaysian Anti-Corruption Act 2009 (MACC Act 2009) (Act 694), the four (4) main corruption related offences include:

- Soliciting/Receiving Gratification (Bribe)
[Section 16 & 17(a) MACC Act 2009]
- Offering/Giving Gratification (Bribe)
[Section 17(b) MACC Act 2009]
- Intending to Deceive (False Claim)
[Section 18 MACC Act 2009]
- Using Office or Position for Gratification (Bribe) (Abuse of Power/Position)
[Section 23 MACC Act 2009]

To further clarify and explain the matter, some of the explanations on 'bribery' and 'corruption' by other sources will be offered.

Bribery:

1. an attempt to make someone do something for you by giving the person money, presents, or something else that they want
2. the crime of giving someone, especially someone in a position of authority, money, a gift, etc. so that they will do something illegal or dishonest for you:

Cambridge Dictionary

Bribe:

1. money or favor given or promised in order to influence the judgment or conduct of a person in a position of trust police officers accused of taking bribes
2. something that serves to induce or influence

www.merriam-webster.com

Bribe:

a sum of money or something valuable that you give or offer to somebody to persuade them to help you, especially by doing something dishonest

Oxford Dictionary

Corruption:

dishonest or illegal behaviour involving a person in a position of power, for example, accepting money for doing something illegal or immoral

Cambridge Dictionary

Corruption:

1. dishonest or illegal behavior, especially of people in authority
2. the act or effect of making someone change from moral to immoral standards of behavior

Oxford Dictionary

Corruption:

1. dishonest or illegal behavior especially by powerful people (such as government officials or police officers)
2. inducement to wrong by improper or unlawful means (such as bribery) the corruption of government officials
3. a departure from the original or from what is pure or correct
4. decay, decomposition

www.merriam-webster.com

Corruption is the abuse of entrusted power for private gain. Corruption erodes trust, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and the environmental crisis. Exposing corruption and holding the corrupt to account can only happen if we understand the way corruption works and the systems that enable it.

www.transparency.org

As a general guide, NEVER accept or give any form of gift, donation, sponsorship or other stakeholder relation engagements; if the following elements exist:

- **Intention** – Received or offered with a direct/indirect suggestion, hint, understanding or implication that in return for such courtesies, some form of business advantage is expected.
- **Perception** – if the act of accepting or giving will give anyone the impression that this is unfair, unethical, not professional, or illegal.
- **Value** – Is lavish, excessive or outside business practice.
- **Cash** – The ‘gift’ is actually cash or cash equivalent.
- **Conflict of Interests** – for example avoid giving or receiving when the Third Party is currently in a tender or competitive bidding process.
- **Questionable Parties** – Received or offered by/to parties that have no prior business dealings or relevance to the Group or its business.
- **Approval** – Yet to obtain approval from the superior.
- **Illegal** – It is illegal within the jurisdiction of which the business is conducted.
- **Record** – It is not recorded accurately, or there are efforts of trying to conceal information.
- **Sexual** – Anything that sexually oriented or may otherwise tarnish the reputation of Sycal
- **Public Official*** - Not allowed unless with approval

Remember that the best practice is NOT to accept any gift, unless the Third Party *INSIST* about it and the refusal of accepting the gift can severely hurt Sycal Group relationships with the Third Party. Even that, always double check if your action is actually in compliance with the ABC Policy and laws.

For further explanation, some of the examples of illegal bribery and corruption activities, are outlined below:

- Giving or receiving any form of gifts and courtesies that are inconsistent with the ABC Policy or ABC Manual
- Making false claims by themselves or through a third party for the purpose of misleading and deceiving any commercial person, entity or government officials;
- Giving any form of bribe to any party as an incentive in return for carrying out any act in relation to the Group’s businesses;
- Accepting secret commissions or any other benefits for goods and services sold or purchased with the Group;
- Providing Facilitation Payment to local or foreign public officials to expedite a routine business action for the Group; and
- Abuse of power and use of position to receive any form of gratification for personal benefit when making decisions for the Group.

Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of Sycal Group

1.4 Key Principles

Sycal Group take a **zero-tolerance approach** towards corruption and bribery.

- We conduct all of our businesses in an honest and ethical manner.

- We are committed to acting professionally, fairly and with integrity in all our relationships and business dealings in accordance with our Code of Conduct and Business Ethics (“COBE”)
- We develop ABC Policy and ABC Manual to guide the Board, Employees and Third Parties attitudes and behaviors in the effort to combat bribery and corruption
- We implement and enforce effective system to counter bribery and corruption; by setting up relevant internal control mechanism to prevent and deter any potential bribery and corruption related activities.
- We will uphold all laws relevant to countering bribery and corruption.
- We conduct training programs for all relevant Employees
- We remain bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time in respect of our conduct both at home and abroad.
- We will regularly review and continuously improve on all of the following: COBE, ABC Policy and ABC Manual

1.5 Definition of Terms

References to “you” in this Manual refer to any person to whom this Manual applies.

For purposes of this Manual, the term “Family” or “Household” includes your spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.

Otherwise, some of the other important terms used within this Manual are defined as follow.

- “ABC” : ABC stands for ‘Anti-Bribery and Corruption’, or more precisely ‘Anti-Bribery and Anti-Corruption’. Note that Sycal had developed both ABC Policy and ABC Manual. You are expected to be in compliance with guidelines and policies outlined in both ABC Policy and ABC Manual. Besides, you must also adhere to all of the relevant ABC laws, legislation or regulation available.
- “Accurate Accounting” : Anti-corruption law requires company to have effective internal accounting controls and maintain books and records that accurately reflect the companies’ transactions. All entities within the group must correctly account for income and expenditures and must ensure that payments are not recorded falsely in company books. Misreporting or omitting a subsidiary’s or affiliates bribes in the parent company’s consolidated accounts may in itself be a breach of anti-corruption law by the parent company.
- “Benefits” : Any form of advantages or profits gained by the Board, the Employees, and the Third Parties.
- “Board” : Director (executive and non-executive) of the companies within Sycal Group, except otherwise stated in the Policy.
- “Bribe” : Anything of value that is offered, promised or given to a person, whether directly or through third party intermediaries, to cause that person to improperly act or refrain from acting in relation to the performance of that person’s duties.
- “Bribery” : Offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non- financial), directly or indirectly, as an inducement or reward for a person acting or refraining from acting in relation to that person’s duties, action or decision.

- “Conflict of Interest” : Any situation when your personal interest or involvement could influence your ability to make decisions objectively and to the best interest of the Sycal Group. Even where you have good intentions, Conflict of Interest can harm your personal reputation and that of the Group.
- “Corporate Hospitality” : Corporate events or activities organized by an organization which involves the entertainment of Employees and third parties for the benefit of that organization.
- “Corruption” : The provision or receipt of monetary or non-monetary bribe or reward of high value for performing in relation to the Board, the Employees’ and the Associated Third Parties’ duties. This includes misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
- “Employee” : Any person who is in the employment of Sycal Group either part time or full time, including but not limited to executives, non-executives, secondees and individuals on direct hire.
- “Entertainment” : (a) The provision of recreation; or
(b) The provision of accommodation or travel in connection with or for the purpose of facilitating entertainment of the kind mentioned in item (a) above, with or without consideration paid whether in cash or in kind, in promoting or in connection with a trade or business activities and/or transactions
- “Facilitation Payments” : Unofficial payment made to secure or expedite the performance by the Board, the Employee(s), and the Associated Third Party(ies) performing a routine or administrative duty or function
- “Gifts” : Any form of monetary or non-monetary such as goods, services, cash or cash equivalents, fees, rewards, facilities, or benefits given to or received by an the Board, the Employees, and the Associated Third Parties, his or her spouses or any other person on his or her behalf, without any or insufficient consideration known to the Board, the Employees, and the Associated Third Parties.
- “Kickbacks” : Any forms of payment intended as compensation for favorable treatment or other improper services. This includes the return of a sum already paid or due as a reward for awarding of furthering business.
- “Money Laundering” : Money laundering occurs when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.
- “Sycal Group” or “Sycal” : Collectively, Sycal Ventures Berhad and its subsidiaries.
- “Third Parties” : Any individual or organization that an associate may come into contact during the course of his/her engagement with Sycal and/or Sycal Group, which may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisers, government and public bodies including their advisors, representatives and officials

Chapter 2: GIFT, BENEFITS & ENTERTAINMENT

2.1 “No Gift” and “No Entertainment” Policy

Sycal Group has adopted a “No Gift” and “No Entertainment” Policy whereby, subject only to certain narrow exceptions, Sycal Group Employees and the Board family members or agents acting for or on behalf of Sycal Group Employees, Board or their family members are prohibited from, directly or indirectly, receiving or providing Gifts, Benefits and/ or Entertainments.

It is the responsibility of Employees and the Board to inform external Third Parties involved in any business dealings with Sycal Group that the Company practices a “No Gift Policy” and to request the external Third Parties’ understanding for and adherence with this policy.

Besides, beware that the Third Parties dealing with Sycal Group might have had also adopted a “No Gift” and “No Entertainment” Policy as well.

Many of the complicated issues will not arise if everyone
adhere to the “No Gift” and “No Entertainment” policy

Sycal Group requires Employees, the Board and any Third Parties to abide by this policy to avoid:

- Conflict of interest, or
- The appearance of conflict of interest.

A conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in Sycal Group for his or her personal benefit, including the benefit of his or her family/ household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by Sycal Group from its employees and directors in the performance of their duties and obligations.

Gift can be seen as a bribe that may tarnish Sycal Group’s reputation or be in violation of anti-bribery and corruption laws.

In no circumstances may an Employee, Board or his/her
family/household members accept Gifts, Benefits and/ or
Entertainments in the form of cash or cash equivalent.

As a brief guideline, employees and directors are expected to exercise proper judgment in handling “Gifts, Benefits and Entertainments” activities and behave in a manner consistent with the following principles:

- Conscientiously maintain the highest degree of integrity
- Always exercise proper care and judgment
- Avoid conflicts of interest
- Comply with all applicable laws, regulations, policies and procedures.

2.2 Receiving Gifts or Benefits

The Company is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging Sycal's "No Gift Policy", some external parties may still insist in providing gifts to Sycal employees, directors and/ or their family members.

The general principle in such a case is to immediately refuse or return the gifts.

Accepting a gift on behalf of Sycalis allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may severely affect Sycal's business relationship with the Third Party.

In these limited circumstances, you are expected to:

- Immediately consult the Heads of Department
- Accept the gift only upon the approval by the Heads of Department
- Immediately record the gift in the Gift Register provided by the Admin and Personnel Department
- Ensure proper treatment of the gift based on the decision of the Heads of Department

In the event the Head of Department approves the acceptance of the gift, he/she must also determine the **treatment of the gift** whether to:

- a) Donate the gift to charity; or
- b) Hold it for departmental display; or
- c) Share with other Employees in the department; or
- d) Permit it to be retained by the Employees.

The best practices is to seek for superior approval immediately (i.e., at the same working day) upon the receipt of gift. Without approval, the gift is not yours to keep.

Even if it may appear disrespectful to refuse a gift from a particular Third Party, the Head of Department cannot approve the acceptance of the gift under such scenario:

- The gift worth more than **RM150/ individual**.
- The frequency of the act of gift giving is high, i.e., **exceeding 1 time/ month**.
- There is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders)
- Acceptance of the gift might be seen as dishonest, unethical or illegal

The receiving or giving of gift **MUST** always be recorded in the Gift Register! This is crucial for further Risk Management audit. You will be regarded as trying to conceal information in event of failure to disclose 'gift' in the Gift Register.

Under such circumstances, the gift must be politely returned with a note of explanation about the Company's "No Gift" policy.

The format for the **Gift Register** is shown below. The Gift Registers for the different departments are kept by the respective Heads of Departments. The respective Heads of Department are supposed to have final say on ‘treatment’ of gift by any Third Parties.

Gift Register

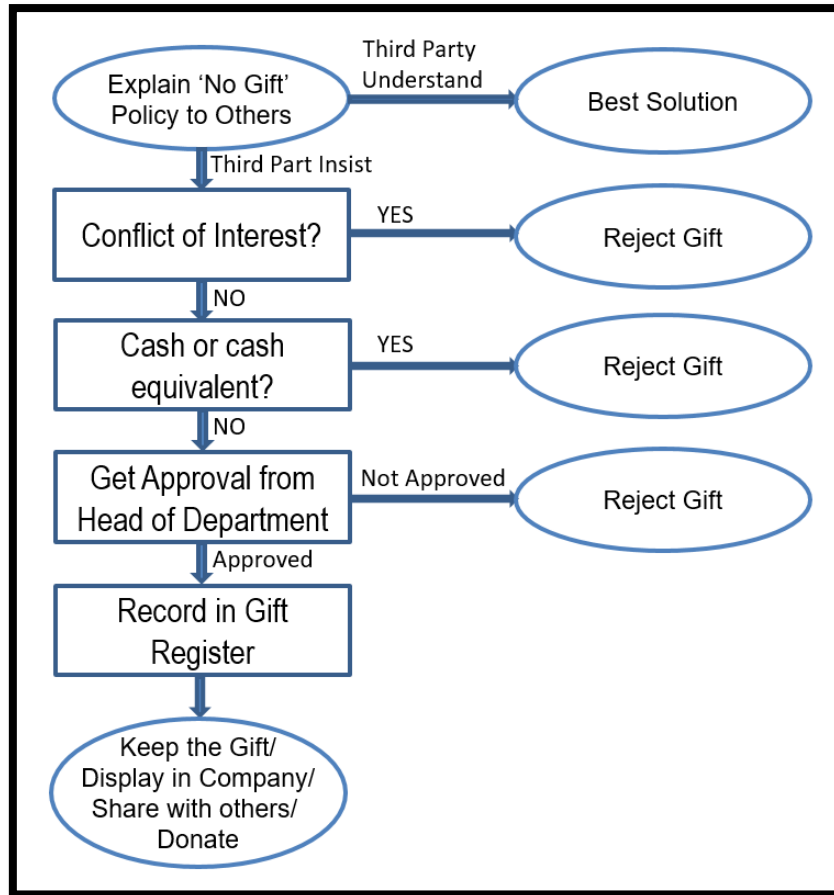
Date	Gift Description (Name & Status: Receiving/ Giving)	Estimated Value	Reason for the Gift	Approved/ Rejected
1 Jan 2020	Received by ABC: Calendar and notebook by XYZ	RM35.00	Annual gift giving by XYZ company	Signature of Head of Department
3 Jan 2020	Received by DEF: Lunch at Nasi Kandar Kayu by UVW	RM14.50	Normal business discussion	Signature of Head of Department
5 Jan 2020	Giving of Calender Planner by Sycal Group to Third Parties	RM 22.80 per Gift	Annual gift giving by Sycal Group	Signature of Chief Integrity Officer

While the Employees should get the approval (if to accept or reject a gift) from the Heads of Departments, the Heads of Department should get their respective approval from their immediate superior. It is expected that the Heads of Department should exercise prudent initiatives in acting as the role model for the Employees, in adhering to the ABC best practices.

Remember that the act of “**buying lunch or dinner**” for you is also regarded as an act of “gift giving”. You should try to avoid such circumstances if such occurrence can negatively affect the reputation of Sycal or could be perceived by others as corruption or something that can affect your integrity. Key principles when dealing with such issues are:

- a) Do remind the Third Parties that the entire Sycal Group is adopting the ‘No Gift’ policy
- b) Always reject to get treated by others when the food is expected to costs more than **RM 150/ individual**
- c) You must at least get the verbal approval from your Head of Department before going off for lunch
- d) Do explain to your Head of Department on the nature, context, purpose and necessity of the lunch or dinner
- e) Do remember to record the lunch or dinner in the Gift Register.

Decision Flow Chart for Accepting/ Rejecting Gift



2.3 Providing Gifts or Benefits

Generally, Employees are also not allowed to provide gifts to third parties with the following exceptions:

- a) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/ courtesy call and thereafter said gift is treated as company property);
- b) Gifts from company to external institutions or individuals in relation to the company's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
- c) Gifts and/or meals from Sycal or Sycal Group to Employees and Board and/or their family members in relation to an internal or externally recognized Company function, event and celebration (e.g. annual lunch/ dinner, in recognition of Employee/ Board's service to the Company);
- d) Token gifts of nominal value normally bearing the Sycal or Sycal Group logo (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the Sycal or Sycal Group brand building or promotional activities; and
- e) Gifts (ethical and legal) to external parties who have no business dealings with Sycal Group (e.g. monetary gifts or gifts in-kind to charitable organizations).

Do note that maximum monetary value for gift to be offered to Third Party should not exceed RM150/ individual.

2.4 Receiving Entertainment

For explanation purposes, all of the following activities are regarded as Entertainment:

- The provision of leisure or recreational activities
- The provision of accommodation services
- The provision of travel services
- Any other activities provided for the purpose of facilitating entertainment of the kind mentioned above, be it involve monetary expenses or not.

Note that similar to the "No Gift" Policy; Sycal Group do in general adopt a "No Entertainment" Policy as well.

Nonetheless, Sycal Group recognizes that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.

However, you are required to obtain Heads of Department approval prior to receiving entertainment from Third Parties.

The Heads of Department are expected to be able to reasonably estimate the monetary value of the entertainment to be received. The estimated value of the entertainment received should never exceed RM 150/ individual.

In no event, however, should you or any of your family/household members accept entertainment in exchange for an exercise or non-exercise of your Sycal authority or otherwise to the detriment of Sycal.

Last but not least, do aware that you should also record any entertainment received or provided in the Gift Register as well.

All of the above policies are not only to safeguard Sycal's reputation, but also to protect Employees and Directors from allegations of impropriety or undue influence.

2.5 Providing Entertainment

In terms of provision of entertainment to Third Party, do aware that Sycal Group had adopted a 'No Entertainment' Policy as well.

Nonetheless, Sycal Group recognizes that providing modest entertainment is a legitimate way of building business relationships and to foster good business relationship with external clients. As such, eligible Employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking process.

Do understand that the provision of entertainment by Sycal Group should always be documented in the relevant Gift Register kept by Admin & Personnel Department. The provision of entertainment to Third Parties is also only allowed after the approval by the relevant Senior Managers.

2.6 Summary

All Persons who are subject to this Manual is prohibited from accepting or receiving Gifts, Benefits and Entertainment from Third Parties that might create a sense of obligation and compromise their professional judgment or create appearance of doing so.

Importantly, do aware that acceptance or provision of Gifts, Benefits and Entertainment should never be permissible if such act may eventually create a negative perception towards Sycal Group.

Employees and Directors should always bear in mind that ABC is an area where perception is often regarded as more important than facts and therefore you should always exercise proper care and judgment when providing entertainment to Third Parties especially when it involves public officials to ensure compliance with ABC laws.

The occasional giving or receiving of Gifts, Benefits and/or Entertainment is justifiable. However, the frequent giving or receiving of Gifts, Benefits and/or Entertainment (i.e., even within the permissible monetary amount) will be considered as breaching of the ABC Policy. Note that the frequency of giving or receiving of Gifts, Benefits and/or Entertainment of more than 1 time/ month will be considered as “frequent” and therefore inappropriate.

All persons who are subject to this Policy shall take into consideration the impact of their actions with regards to how their actions are perceived (i.e., influencing their decision) and its impact towards the business operations of Sycal prior to giving or accepting any Gifts, Entertainment and/or Benefits.

We encourage the use of good judgment when giving or accepting the Gifts, Entertainment and Benefits. All the Benefits including Gifts and Entertainment must be:

- a) Reasonable in value;
- b) Infrequent in nature;
- c) Transparent and open;
- d) Not given to influence or obtain an unfair advantage; and
- e) Respectful and customary.

Chapter 3: CORPORATE HOSPITALITY

3.1 Introduction to Corporate Hospitality

Corporate hospitality is broadly defined as “corporate events or activities organized by an organization which involves the entertainment of Employees and Third Parties for the benefit of that organization”.

Corporate hospitality is recognized as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate versus illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.

Corporate hospitality would be illegitimate in the following situations:

- a) If it provides an advantage to another person if offered; or
- b) If it is given with the intention of inducing the person to perform a relevant function improperly; or
- c) If there is knowledge that acceptance of the advantage would in itself be improper performance; or
- d) If it is against guidelines in Sycal’s ABC Policy and ABC Manual

Corporate hospitality arrangements or activities should conform to the following basic principles:

- TRANSPARENCY, in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept;
- PROPORTIONALITY, i.e., the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient’s official capacity and not provided in his/ her personal capacity;
- REASONABLENESS in ensuring that the corporate hospitality is not lavish; and
- BONA FIDE, where the intention to offer and/ or provide the corporate hospitality is done with good and legal intentions.

Transparency International (www.transparency.org)

3.2 Receiving Corporate Hospitality

As a general principle, Sycal Group strictly prohibits you from soliciting corporate hospitality nor are you allowed to accept hospitality that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favorable business decision, particularly from parties engaged in a tender or competitive bidding exercise (for example: contractors, vendors, suppliers etc.).

Notwithstanding the above, Sycal Group recognizes that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for you to exercise proper care and judgment before accepting the hospitality. This is not only to safeguard the Company’s reputation, but also to protect Employees and the Board from allegations of impropriety or undue influence.

It is crucial for you to access the 'estimated costs' per person prior to attending any corporate hospitality events. It is crucial to avoid attending to any corporate hospitality events that is overly luxurious or lavish, especially when such events are catering to only a small crowd of individuals (i.e., below 10 people).

If you have any doubts on the appropriateness of a corporate hospitality offered by any Third Party, you should either decline the offer or consult your Head of Department. In the case of the Board, you should seek the advice from the Chief Integrity Officer.

In short, these are the types of corporate hospitality activities which are NEVER permissible and you should immediately refuse if it involves the following:

- a) Corporate hospitality offered by Third Parties currently engaged in the tender or competitive bidding exercises for Sycal Group's business or project.
- b) Corporate hospitality offered that comes with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required.
- c) Any corporate hospitality activities that would be illegal or in breach of local or foreign bribery laws.
- d) Corporate hospitality which is lavish or excessive or may adversely affect the reputation of Sycal.
- e) Any corporate hospitality activities that are sexually oriented or may otherwise tarnish the reputation of Sycal.

Note that any Employees or Directors receiving corporate hospitality should also register it in the Gift Register.

3.3 Providing Corporate Hospitality

Sycal recognizes that providing corporate hospitality to its stakeholders, be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.

While providing corporate hospitality is a reflection of Sycal's courtesy and goodwill, the respective Heads of Department must exercise proper care to protect the Company's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures.

There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to any Sycal corporate hospitality event. The management must treat all of the guests reasonably fairly and equally, as to prevent Sycal Group from being perceived as giving preferential treatments to certain individuals.

Reasonable due diligence should be exercised, particularly when the arrangements involve Public Officials.

The invitation of Public Officials is only permissible upon the approval by the Chief Integrity Officer.

The budget on provisioning of corporate hospitality should never exceed **RM 150/ individual**. The provisioning of any corporate hospitality events or activities is only permissible upon the approval by the Chief Integrity Officer. Besides, all expenses incurred to provide the corporate hospitality must be properly documented, receipted and recorded. Last but not least, key person organizing the corporate hospitality event should also record the particular event in the Gift Register.

Chapter 4: DEALING WITH THIRD PARTIES

4.1 Dealing with Third Parties

For explanation purposes, Third Parties means “any individual or organization that had or may come into contact during the course of his/her engagement with Sycal and/or Sycal Group”. They may include but not limited to suppliers, contractors, agents, consultants, advisers, outsourced personnel, distributors, advisers, government and public bodies (or even their advisors, representatives and officials).

Sycal expects that all Third Parties acting for or on its behalf to share Sycal’s values and ethical standards as their actions can implicate Sycal legally and tarnish the Sycal’s reputation.

Therefore, relevant personnel are obligated to conduct appropriate counterparty due diligence to understand the business and background of any Third Parties before getting Sycal to deal or engage with any Third Parties, such as contractors, agents, intermediaries or joint venture partners,

Importantly, appropriate assessment shall be conducted to Third Parties to ensure that these Third Parties are free from bribery elements or conflict of interest prior to business dealings with them.

To help ensure that we only do business with Third Parties that share Sycal standards of integrity, we must do the following:

- Conduct due diligence to assess the integrity of Sycal’s prospective business counterparties.
- Exercise care and good judgment and common sense in assessing the integrity and ethicality of Third Parties
- Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
- All third parties are made aware of the Sycal’s COBE, ABC Manual and ABC Policy.
- Communicate Sycal’s expectations and ethical standards to the Third Parties.
- Continue to be aware of and to periodically monitor the performance and business practices of Third Parties to ensure ongoing compliance.

The discovery of any or “red flags”, at any point during the due diligence exercise or in the midst of dealing with any Third Party, will demand the corresponding officer to carry out further investigation in order to address possible unethical or illegal issues.

Examples of common “red flags” involving Third Party include:

- The transaction involves a country known for a high incidence of corrupt payments.
 - Third Party has Family, business or other “special” ties with government or Public Officials.
 - Situations of conflicts of interests
 - A reference check on the Third Party reveals a flawed background or a reputation for getting “things done” (example: ability to fix a problem provided with a certain amount of money).
 - Third Party object to ABC policy in commercial agreements
 - Third Party exhibiting negative response when told of ABC requirements.
 - Convoluted payment arrangements, such as Third Party demanding payment to another account in other countries or requests for upfront payment for expenses or other fees.
- a) The Third Party requires that his/ her identity not be disclosed as part of the business transaction.

- b) Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.

Detection of any 'red flags' demand your immediate attention!

Approval from Chief Integrity Officer must be obtained prior to further dealing with any Third Party in case of discovery of "red flags" situation mentioned above.

If it is not possible to resolve the 'red flags' mentioned above; the Third Party must be:

- Barred from being on the list of registered or licensed contractors/ suppliers/ business partners
- Disqualified from participating in any tender exercise or business cooperation arrangement by Sycal Group

4.2 Dealing with Contractors and Suppliers

Sycal is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities. The information in this section is of particularly important for anyone involving in the procurement function for Sycal.

Executives dealing with Contractors and Suppliers must always pay attention to possible ABC 'red flags' in order to protect Sycal's reputation and interests

The managerial executives dealing with Contractors or Suppliers must ensure that all procurement activities are in line with the relevant procurement policies and procedures (within the jurisdiction of which the business is conducted). These include (but not limited to):

- Contractors or Suppliers selection should never be based on receipt of the Gifts, Entertainment or Benefits.
- Bidding process is open to all qualified bidders and no parties having the unfair advantage of separate, prior, close-door negotiations for a contract.
- Due diligence and risk assessment on Contractors or Suppliers are performed before dealing with them (especially if whether or not they have in place anti-bribery and corruption programmes and that they will not engage in any improper practices).
- Ensure proper maintenance of appropriate written documentation of the due diligence and risk assessment performed on Contractors or Suppliers.
- Contractors and Suppliers are made aware of and understand the Sycal COBE and that they will comply accordingly.
- You should avoid dealing with any Contractors or Suppliers known or reasonably suspected of corrupt practices or known or reasonably suspected to pay bribes.
- All commercial contracts and invitations-to-bid (ITBs) should incorporate the relevant provisions relating to ethical business conduct, conflict of interest as well as ABC provisions.
- Sycal retains the right to audit the Contractors or Suppliers if they are in compliance with the COBE, ABC Policy and ABC Manual.
- Sycal managers should also monitor significant contractors and suppliers as part of the regular review of their performance.
- Sycal has the right to terminate their services in the event that the contractors and suppliers had violated the anti-bribery and corruption laws or act in a manner which is inconsistent with the COBE, ABC Policy and ABC Manual.

4.3 Dealing with Joint Venture Partners

In view of the possibility that Sycal may be held responsible for the illegal activities of its co-venturers, it is crucial to ensure that Joint Venture (“JV”) in which Sycal has a controlling interest do also adopt the best practices, principles and guidelines outlined in this Manual.

Where Sycal neither controls nor operates the JV or where Sycal holds a minority interest, it is still crucial to:

- Make reasonable efforts to influence the JV to adopt the best practices, principles and guidelines outlined in this ABC Manual.
- Be alert to ‘red flags’ which may arise during the course of the conduct of the business together with the JV. Any such ‘red flags’ must be reported to the Chief Integrity Officer so that relevant action can be taken.
- Request, and if possible, require that the JV to provide written document on compliance with anti-bribery and corruption related legislation, on an annual basis.

4.4 Dealing with Public Officials

A ‘Public Official’ or ‘Government Official’ is defined as: “candidates for public office, officials of any political party, and officials of state-owned enterprises”. Caution must be exercised when dealing with Public Official as the laws of bribery and corruption in some countries are more stringent and provides for stricter punishments.

Providing Gift, Benefits, Entertainment or Corporate Hospitality to Public Official or their family/household members is generally considered a ‘RED FLAG’ situation in most jurisdictions.

Key principles you must remember when dealing with Public Officials include (but not limited to):

- Always exercise care and be extra cautious on your action when dealing with Public Officials
- Do not act on your own accord when providing Gift, Benefits, Entertainment or Corporate Hospitality to public officials.
- Do not approve any requests by the public official to transfer the gift or entertainment to his family members or friends that are not authorized to accept the gift or entertainment. Doing so might be perceived as bribery even with the least strict of laws or policies. Kindly advise the public official that “transfer” of gifts or entertainment is against Sycal’s ABC Policy.
- You are prohibited from paying for non-business or business-related travel and hospitality for any Public Official or his/her family/household members without permission from Chief Integrity Officer.
- If approval is obtained for you to provide Gift, Benefits, Entertainment or Corporate Hospitality to Public Official, you must ensure that the Gift, Benefits, Entertainment or Corporate Hospitality is not excessive and lavish, and that it will not cause any impression that the provision of such Gift, Benefits, Entertainment or Corporate Hospitality is associated with bribery or corruption.
- You must also be aware of local laws governing the activity and to ensure compliance. You should seek guidance from the Chief Integrity Officer in case you have any doubt on this matter.
- Always double confirm that there is no conflict of interest when dealing with any Public Official.

- Last but not least, NEVER ever attempt to conceal, alter, destroy or otherwise modify any documentation that relates to Gift, Benefits, Entertainment or Corporate Hospitality accorded to Public Officials.

4.5 Political Contributions

Sycal Group's property(ies), facility(ies), service(s) or employee(s) time cannot be used for or contributed to any political party(ies) or candidate(s) for public office without approval by the Group Managing Director.

Sycal Group DOES NOT make charitable donations or contributions to political parties; whilst the Employees and the associated Third Parties acting in their personal capacity as citizens are NOT restricted to make any *personal* political donations.

In other words, Sycal Group encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. However, take note that Sycal Group will not make any reimbursement for these personal political contributions back to its Employees or the Associated Third Parties.

In short, it is your responsibility to be aware and educate yourself with all applicable laws and regulations in your jurisdiction, of which certain jurisdiction may prohibit or restrict companies from getting involved in political activities, make political contributions or engage in lobbying activities.

Make clear that your political views are your own when
engaging in personal political activity and it does not reflect
the views of Sycal Group.

Otherwise, Employees and/ or Directors are prohibited from acting on the below:

- a) Using their position within Sycal Group to try to influence any other person (whether or not employed by Sycal Group) to make political contributions or to support politicians or their parties in any country.
- b) Make any contribution or incur any expenditure using Sycal Group's resources to benefit any political campaign, party or politician in any country.
- c) Use of Sycal Group's facilities, equipment and resources for any political campaign or party functions.
- d) The use of charitable donations as a subterfuge for prohibited political payments.

Chapter 5: CORPORATE SOCIAL RESPONSIBILITY (CSR)

5.1 Corporate Social Responsibility (CSR)

Within this ABC Manual, Corporate Social Responsibility (CSR) is defined as those “philanthropic and/ or charitable initiatives organised by Sycal Group for the betterment of the society and natural environment”. For the purpose of this Manual, we shall separate the many types of CSR initiatives by Sycal into two main categories:

- The initiatives that never involve any direct financial/ monetary contributions towards the recipient of the CSR initiative (i.e., such initiatives are spearheaded and/ or monitored by the senior management within the Sycal Group)
- The initiatives which involve direct financial/ monetary contributions to the CSR recipient. This will be specifically regarded as Sponsorship and Donation (Refer to the next section).

As a responsible corporate citizen, Sycal is committed to contributing to the well-being of the people and natural environment in countries where it operates. It is however important that all Corporate Social Responsibility (CSR) are made in accordance with Sycal policies.

The principles to adhere to during the conduct of CSR initiatives include:

- Take note that all of the CSR initiatives must firstly receive approval by the Chief Integrity Officer, prior to its implementation process.
- CSR efforts made by Sycal or Sycal Group to community projects or charities need to be made in good faith and in compliance with Sycal’s COBE, ABC Policy, and ABC Manual.
- Any key officer appointed in handling the CSR activities for Sycal Group must perform the relevant due diligence in ascertaining the eligibility, appropriateness, and legality of the recipients of the CSR initiatives to be conducted by Sycal Group.
- Under NO circumstances that Sycal Group can make CSR contributions to any CSR recipient, which identity or status is questionable, or could lead people to perceive that CSR initiative as bribery or corruption related (example: leveraging on CSR initiatives to gain business advantages).
- In the case that Sycal is asked by governments to contribute to CSR activities in the countries where the company has operations; Sycal Group can provides such assistance in appropriate circumstances and in an appropriate manner. However, such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome. All of such requests must be approved by Chief Integrity Officer before implementation.

Spending the efforts to contribute to a wrong CSR recipient
can bring troubles to Sycal

The following should be recorded, documented, and disclosed (in Annual Report), when it comes to the implementation of CSR initiatives by Sycal Group:

- Beneficiaries of the CSR initiatives
- Due diligence on the CSR recipient
- Rationale for the CSR initiatives
- Total expense associated with the CSR initiatives

5.2 Donation or Sponsorship

Take note that Sponsorships and Donations can be sensitive matters as it involved direct monetary or financial contributions or assistance to the targeted recipient. The decision making and implementation process – when it comes to Sponsorships and Donations – must be conducted with adherence to the following values:

- Integrity
- Transparency
- Prudent
- Value adding to the society and natural environment

Generally speaking, all Sponsorships and Donations must comply with the following:

- Permitted or allowed by applicable laws;
- Had already obtain all the necessary approval from the relevant authorities (if necessary);
- Had already conduct of the proper due diligence on the context, nature, and recipient of the Sponsorships and Donations
- Had already obtain the approval from the Chief Integrity Officer
- Being accurately recorded and documented in the company's accounting books
- Being disclosed in Annual Report

In the case that Sycal Group is contributing financial assistance to another Charitable Organization for CSR purposes, it is crucial for the Chief Integrity Officer to conduct proper due diligence as to ensure that the recipient is actually valid, relevant and well established entity, which has the necessary skills, capabilities and adequate governance structure to guarantee proper administration of the funds.

Employees and Directors must NEVER make any Sponsorships and Donations as the following nature:

- To circumvent or avoid any of the provisions and guidelines outlined within the ABC Manual, ABC policy and COBE
- As the subterfuge for bribery and corruption (example: cover up of illegal payments to any person or entity)
- The conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws

Do not conceal, alter, destroy or otherwise modify any relevant information, which in the normal course of business, may raise potential red flags that would require additional investigation, prior to any Donation or Sponsorship!

In fact, any Donation or Sponsorship which may be perceived to breach applicable law or any other guidelines mentioned within the ABC Manual or ABC Policy should be avoided. In line with this, look out for the following RED FLAG:

- The designated recipient or entity has affiliations with a Public Official or their relatives
- The contribution is made on behalf of a Public Official
- There is a risk of a perceived improper advantage for Sycal
- The designated recipient is based in a high risk country
- The activity takes place in a high risk country

5.3 Educational Scholarship

Sycal Group may decide to have Educational Scholarship program with the objective to provide educational opportunities to deserving students to enable them to realize their potential and to contribute to the growth of Sycal.

Key principles to follow (but not limited to) are:

- The awarding of scholarships should be based on strict guidelines and due diligence to ensure that only the most qualified and deserving students receive the scholarship award.
- The selection of sponsorship recipients should be based on approved criteria such as academic qualifications and assessment results.
- The process of selection should be transparent and the reasons for selection should be properly recorded.
- Be prudent and careful as to ensure that no element of corruption is involved in the giving out of scholarships.
- Do ensure that the amount of Educational Scholarship is reasonable in value.
- Ensure that all documentations (including invoices and receipts) are properly recorded and kept.
- Do not try to conceal, alter, destroy or otherwise modify any relevant documentation or information which could be sensitive, or any information where you think that there might be a conflict of interest.

Proper documentation is very important

Do ensure that the Educational Scholarship is properly recorded and is being made transparent; in case:

- If the scholarship candidate has a family/ household relationship to another Sycal Group's staff or director; or
- If the scholarship candidate is a family member/ relative of a Public Official.

Chapter 6: FACILITATION PAYMENT

“Facilitation Payment” is defined as ‘payments made to secure or expedite the performance by a person performing a routine or administrative duty or function’.

In other words, Facilitation Payments are typically the payments made to government officials to encourage them to speed up routine public tasks such as issuing visas, licences and customs clearances. These payments are also known as “grease money” or “speed money” and are illegal in many countries.

Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.

Facilitation Payment is also a form of bribery and corruption.

Sycal Group prohibits accepting or obtaining, either directly or indirectly, Facilitation Payments, or Kickbacks of any kind from any person for the benefit of the employee himself or for any other person.

Facilitation Payments are illegal in Malaysia and as such you are not permitted to under any circumstances to make such payments.

All persons must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment.

If you receive a request or if you are offered Facilitation Payment, you must report it to the Chief Integrity Officer.

If you have concerns that someone has offer, promise, give, request, accept or receive Facilitation payment, you has the duty to raise the issues to the right personnel, in accordance to the guidelines written in the Whistleblowing policy.

However, there are certain situations or circumstances where you are faced with having to make facilitation payments in order to protect your life, limb or liberty. In dangerous situations like this, you are allowed to make payments but you must immediately report to your Head of Department or Enterprise Risk Management Committee. Making facilitation payment in such a situation is the only exception which can be used as a defense when faced with allegations of bribery and corruption.

Chapter 7: MONEY LAUNDERING

Money laundering occurs when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.

Sycal Group strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.

Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislation are severe and can include extradition and incarceration in foreign jurisdictions.

In Malaysia, the maximum penalty for a money laundering offence under section 4 of the AMLATFA (“Anti-Money Laundering and Terrorist Financing Act”) is imprisonment for 15 years and a fine of not less than five times the sum or value of the proceeds of the unlawful activity or instrumentalities of the offence at the time the offence was committed or RM5 million, whichever is higher.

To avoid violating anti-money laundering laws, Employees are expected to always conduct counterparty due diligence to understand the business and background of Sycal’s prospective business counterparties.

Managerial executives should be aware and understand that a number of initiatives can be taken to strengthen anti-money laundering governance, they include the following:

- Adequate training and compliance programs should be conducted to ensure understanding and strict compliance to any internal anti-money laundering policies.
- Employees frequently involved in decision making process concerning counterparties particularly in matters on financial transactions should be properly acquainted with the applicable laws and regulations related to money laundering.
- Employees should be attentive to and report suspicious behavior by customers, consultants and business partners using proper reporting channels, in-house experts on anti-money laundering should always be consulted.
- Convoluted payment arrangements such as payment to a third party or to accounts in other countries
- Periodic audits should be conducted and a process should be developed to follow all available accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.

Chapter 8: RESPONSIBILITIES

8.1 ABC is Everyone's Responsibility

The Board has oversight of this Policy. The Group Managing Director, General Managers, Head of Department and any managerial executives are responsible for ensuring the compliance with the ABC Policy and ABC Manual. Every Manager and Employee is required to be familiar with and comply with this Manual.

You must familiar with ABC Policy, ABC Manual and COBE!

We have a zero-tolerance approach to corruption and bribery. Any violation of this Manual will be regarded as serious matter and will result in disciplinary action, including dismissal and termination in accordance with local law.

Any individual and employee with any suspicious, concerns or believes regarding a violation with this Policy has occurred or may occur in future, should raise up, notify and shall make report to the Company via the channel as outlined in our Whistleblowing Policy.

An employee will be accountable individually whether he or she pays a bribes himself or herself or whether he or she authorizes, assists or conspires with someone else to violate the ABC Policy, ABC Manual and/or any other anti-bribery and corruption laws.

Sycal Group will not be responsible for your act of bribery or corruption! Please always ACT ETHICALLY!

Punishment for violating the law are against him/her as an individual and may include imprisonment, probation, mandated community service and monetary fines and others which will not be paid by Sycal and/or Sycal Group.

8.2 Failure to Report

Any person who knows and fails to report **an act of giving and offering of bribes** is committing an offence under Section 25 (1) and (2) of the MACC Act 2009.

- FINE: not exceeding one hundred thousand ringgit; and/ or
- IMPRISONMENT: Not exceeding 10 years; and/ or
- BOTH

Any person who knows and fails to report **an act of soliciting and obtaining of bribes** is committing an offence under Section 25 (3) and (4) of the MACC Act 2009

- FINE: not exceeding ten thousand ringgit; and/ or
- IMPRISONMENT: Not exceeding 2 years; and/ or
- BOTH

Failure to report bribery or corruption is a serious crime! The Whistleblowing Policy is developed to assist you in reporting actual or potential crime.

8.3 Record Keeping

In terms of ABC, record keeping can be important for the following reasons:

- Prevention and detection of bribery and corruption
- Comparing expectations with actual results
- Basis for continuous improvement
- Supporting document for more accurate decision making
- Evidence of compliance and corporate governance
- Evidence in court

Key principles you must adhere to are:

- All documents, accounts and records relating to dealings with Third Parties, such as customers, suppliers and business contracts, should be prepared and maintained with strict accuracy and completeness.
- No accounts should be kept “off-book” to facilitate or conceal improper payments.
- Always have appropriate internal controls in place which will evidence, substantiate and justify that business reason for making payments to, and receiving payments from, any Third Parties.
- Always ensure all expenses claims relating to gifts or entertainment made to Third Parties are submitted in accordance with the Company’s reimbursement procedures and policy and specifically record the reason for such expenditure.
- It is everyone responsibility to ensure that all expense claims shall comply with the terms and conditions of this Manual.

All of the following must be registered and recorded in the Gift Register accurately, properly, completely and timely:

- **Receive/ Accept of Gifts, Benefits and/ or Entertainment**
- **Organizing/ Attending Corporate Hospitality events**
- **Sponsorship**
- **Donation**

Failure to record in Gift Register will automatically be perceived as your intention of trying to hide and conceal information.

All of the following must be documented accurately, and be informed to the relevant personnel such as the Heads of Department, Chief Integrity Officer, Managing Directors and/ or Risk Management Committee:

- ‘Red flags’ on Third Parties
- Due diligence on Third Parties
- Recurring performance appraisal on Third Parties
- Facilitation Payment

- CSR initiatives, Sponsorship and Donation
- Educational Scholarship
- Details on interaction with Public Officials
- Any potentially unethical or illegal issues
- Any issues raised by whistle blower

8.4 Communication & Training

Sycal will on a continuing basis provide specific and regular training on its ABC Policy, ABC Manual and on any other ABC laws as well as the details on ABC implementation process, for all new and existing Employees.

Managerial executives must understand that they have the duties and responsibilities to regularly educate and train the workforce in order to cultivate an ethical work culture to combat bribery and corruption issues effectively.

Sycal's zero-tolerance approach to corruption and bribery must be communicated to all the associated Third Parties at the outset of our business relationship with them and as appropriate thereafter.

Wherever possible, all the associated Third Parties should be sent a copy of this Manual at the outset of the business relationship or shall always refer to this Manual published on Sycal Group's website.

8.5 Monitoring & Review

Everyone, be it the Employees, the Directors or even the Third Parties are responsible for the success of the ABC efforts and should ensure adherence to this Manual, and leverage on the guidelines to disclose any suspected danger or wrongdoing.

Internal control systems and procedures will be subjected to regular audits to provide assurance that they are effective in countering corruption and bribery.

8.6 Continuous Improvement

This Manual may be amended at any time by Sycal even though all the Employees and the associated Third Parties are welcome to comment on this Manual and suggest ways in which it might be improved.

Sycal Group is committed to continually improving its ABC policies and procedures.

The Chief Integrity Officer may therefore endeavor to:

- Develop further internal control and integrity measures whenever necessary
- Take relevant steps to certify Sycal's ABC procedures whenever necessary
- Engage any Third Parties to further strengthen Sycal ABC efforts and outcomes

8.7 Sanctions for Non-Compliance

Sycal Group regards bribery and corruption as a serious matter. 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.

The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.

Take note that Sycal will report to MACC on any bribery and corruption related wrongdoings, as part of the Group's legal commitment to comply with ABC legislation.

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.

Chapter 9: WHISTLEBLOWING

9.1 Whistleblowing Policy

Sycal encourages openness and transparency in its commitment to the highest standard of integrity and accountability.

If you make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken. In addition, Employees who whistleblow internally will be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

Any alleged or suspected improper conduct must be disclosed using the procedures provided for in the Sycal Whistleblowing Policy as adopted. The detailed procedures on whistleblowing is available at the Company's corporate website at <http://www.sycalberhad.com>.

9.2 Confidentiality & Protection

Individuals who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this Policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.

Chapter 10: CONCLUSION

10.1 Summary

Always be informed that Sycal Group had adopted zero tolerance against bribery and corruption. Remember that the best strategy and approach to ABC is to conduct business **ethically**.

To summarize, always refer to the following checklist when it comes to making prudent decision.

- **Best Practice** – NEVER GIVE OR ACCEPT ANY GIFT, BENEFITS OR ENTERTAINMENT
- **Intention** – Intention to influence someone for unfair advantage is WRONG
- **Perception** – WRONG if the act of accepting or giving will give anyone the impression that this is unfair, unethical, not professional, or illegal.
- **Value** – WRONG if something is lavish, excessive or outside business practice.
- **Cash** – WRONG if the ‘gift’ is actually cash or cash equivalent.
- **Conflict of Interests** – AVOID giving or receiving in case of potential conflicts of interests
- **Questionable Parties** – AVOID to deal with Third Parties whom are questionable.
- **Approval** – WRONG if yet to obtain approval from the superior.
- **Illegal** – WRONG if it is illegal within the jurisdiction of which the business is conducted.
- **Record** – WRONG if it is not recorded accurately, or there are efforts of trying to conceal information.
- **Sexual** – WRONG for anything that sexually oriented or may otherwise tarnish the reputation of Sycal
- **Public Official**–Exercise CARE and PRUDENCE

10.1 Waiver

Any deviation or waiver from this policy must be recommended by Enterprise Risk Management Committee and to be approved by the Audit Committee and the Board.

10.2 Further Clarifications

Should you require further clarification with regards to this Policy, depending on the subject concerned, you should consult:

- a) Chief Integrity Officer
- b) Human Resource Department
- c) Head of Department and/or SBU Heads/General Managers
- d) Enterprise Risk Management Committee

SYCAL RESERVES THE RIGHT TO AMEND THIS POLICY AND GUIDELINES.

- End of Document -