



PELANGI PUBLISHING GROUP BHD.

ANTI-BRIBERY & CORRUPTION POLICY

Effective Date: 1 June 2020

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1. POLICY STATEMENT

Pelangi Publishing Group Bhd. (“PPG”) has adopted a zero tolerance policy against all forms of bribery and corruption. The PPG Anti-Bribery and Corruption Policy (“*ABC Policy*”) sets out the responsibilities of PPG and its subsidiaries (*the “Group”*). ABC Policy is applicable to the Group’s Board of Directors, Management, employees and its business associates including but not limited to customers, distributors, suppliers, contractors, JV partners, consultants, advisors, agents, representatives.

The Group is committed to conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery and corruption is prevented. The Board of Directors and Top-level Management are committed to acting professionally, fairly and with integrity in all of the Group’s business dealings and relationships in whichever country we operate.

The Group constantly uphold all laws relating to anti-bribery and corruption in all the jurisdictions where we operate. We are bound by the laws of Malaysia, in particular the Malaysian Anti-Corruption Commission Act 2009 (“*MACC Act 2009*”), pertaining to our conduct both at home and abroad. If a law of the country in relation to the anti-bribery and corruption conflicts with this policy or procedures set out in this policy, the law of the country in relation to the anti-bribery and corruption shall prevail. However, if a local custom or practice conflicts with this ABC Policy, this ABC Policy shall prevail.

The Group recognises that bribery and corruption are punishable by way of pecuniary fines and/or jail sentences, as the case may be, upon conviction. If any entity in the Group or person associated with it is found to have taken part in bribery or corrupt activities to benefit the Group, we may be subjected to a monetary fine of not less than 10 times the sum or value of the corrupt gratification or one million ringgit whichever higher, and/or the officers concerned jailed not exceeding 20 years, upon conviction under Section 17 MACC Act 2009. There may well be other associated charges brought against the Group and/or its officers under other legislations in Malaysia or in the countries in which the alleged offence is committed. All these may lead to serious damage to the Group and our

reputation. It is with this in mind that we remain committed to preventing bribery and corruption in our businesses, and we take our legal responsibilities seriously

2. DEFINITION OF BRIBERY AND CORRUPTION

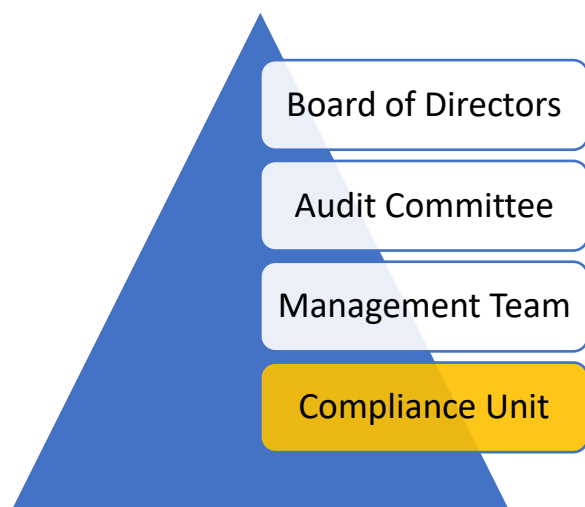
Bribery means the act of giving or receiving something of value in exchange for some kind of influence or action in return, that the recipient would otherwise not offer;

Corruption means the act of soliciting, giving, accepting or receiving gratification, directly or indirectly, to/from a person in authority either in the form of money, services or valuable goods as an inducement or reward to or not to do an act in relation to the person's principal affairs – in short, corruption is essentially an abuse of entrusted power or position to secure or gain a personal benefit; and

Gratification is defined in Section 3 of the MACC Act 2009 and includes money, donation, gift, loan, fee, reward, valuable security, property or interest in property, employment, appointment, release, forbearance, undertaking, promise, rebate, discount, services employment or contract of employment or services and agreement to give employment or render services in any capacity. The provision or receipt of gratification is not an offence unless it is done **corruptly**.

3. GOVERNANCE AND REPORTING STRUCTURE

The Governance and Reporting Structure of the Policy is sets out as below:-



The Board of Directors is primarily responsible for PPG's ABC Policy as well as ABC management. It sets the tone from the top by reviewing and approving the ABC Policy, sets the risk appetite in relation to bribery and corruption risks as well as reviews to ensure that PPG has adequate and competent resources for ABC-related matters.

The Audit Committee is delegated with the oversight role in relation to ABC management. It reviews PPG's implementation of and compliance with the ABC Policy as well as the bribery and corruption risk assessments conducted. In addition, reviews, audits, assessments or monitoring in relation to ABC management conducted by the management team and/or the Compliance Unit shall be reported to the Audit Committee for further review on a yearly basis, which would eventually be reported to the Board of Directors.

The management team is responsible for implementing and executing the ABC Policy and any ABC management initiatives (i.e. control measures). It is also tasked with clearly communicating the ABC Policy to all relevant parties such as employees and business associates. It ensures that bribery and corruption risk assessments are done timely and properly. Apart from undergoing the necessary training on ABC management, it is also responsible for ensuring adequate training relating to ABC is provided to employees and notification of ABC Policy to business associates.

The Compliance Unit comprises of 1 (one) Chairman, Senior Manager from Publishing Department, and 3 (three) members from different departments of the Group, Senior Finance Manager from Finance Department, Human Resource Executive from Human Resource Department and representative from Sales & Marketing Department. In the event a member of the Compliance Unit is potentially implicated or directly involved in the ABC matter, he/she shall willingly and completely abstain from reviewing or deliberating on that matter.

The Compliance Unit acts as a central contact and guide for all ABC-related matters. It is responsible for overseeing the overall the implementation of the program, processes and procedures related to this ABC Policy to ensure that bribery and corruption risks of the

Company is mitigated. The Compliance Unit also ensures scheduled internal audits or reviews on ABC Policy compliance is carried out. In addition, it is responsible for giving advice on the interpretation and application of this Policy, supporting training and education, and responding to reported concerns. Other roles and responsibilities of the Compliance Unit are described in the sections below.

Unless the matter in question is urgent or significant which requires immediate reporting, the Compliance Unit reports the results of its assessments, reviews or monitoring to the management team and the Audit Committee on a yearly basis.

4. RISK ASSESSMENT

Bribery and corruption risk assessments, including any reporting and monitoring thereof, will be conducted by the Risk Management Executive Committee in accordance with PPG's Risk Management Framework.

Effective anti-corruption risk assessment should be performed on an annual basis. There also may be triggering events such as entry into new markets, significant reorganisations, mergers, and acquisitions that will create opportunities for refreshing the risk assessment.

Compliance Unit of the Group should be responsible for updating the risk assessment progress and reporting yearly to those charged with governance on the status and results of the anti-corruption risk assessment as well as on the implementation of any resulting risk mitigation action plans.

5. FORM OF BRIBERY AND CORRUPTION

5.1 Gifts, Entertainment, Hospitality and Travel

5.1.1 The Group accepts normal and appropriate gestures of hospitality and goodwill (whether given to or received from third parties) so long as the giving or receiving of gifts, entertainment, hospitality & travel meets the following requirements:

- a) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business

advantage, or as an explicit or implicit exchange for favours, positions or benefits;

- b) It is not made with the suggestion that a return favour is expected;
- c) It is in compliance with local laws;
- d) It is given in the name of the organization, not in an individual's name;
- e) It does not include cash or a cash equivalent (e.g. a voucher or gift certificate);
- f) It is appropriate for the circumstances (e.g. giving small gifts less than RM200 around festive seasons or as a small thank you to an organization for helping with a large project upon completion);
- g) It is of an appropriate type and value, and given at an appropriate time (*refer to 6.3*), taking into account the reason for the gift, entertainment, hospitality and travel;
- h) It is given or received openly, not secretly;
- i) It is not selectively given to a key or influential person, clearly with the intention of directly influencing them;
- j) It accords with the limits of threshold RM200 per year and approval mandate as pre-determined by the Group; and
- k) It is not offered to, or accepted from, a government official or representative, politician or political party, without the prior sanction based on the Group's approval mandate and review by the Compliance Officer.

5.1.2 Where it is inappropriate to decline the offer of a gift, entertainment, hospitality or travel (i.e. when meeting with an individual of a certain religion/culture who may take offence), the gift, entertainment, hospitality or travel may be accepted so long as it is declared to the Compliance Unit, who shall assess the circumstances, including whether it accords with the Group's pre-determined thresholds and frequency. If after assessment, the gift, entertainment, hospitality and/or travel is deemed unacceptable, what is the process or next course of action?

5.1.3 The Group recognises that the practice of giving and receiving business gifts varies amongst countries, regions, cultures and religions. As such, definitions of what is acceptable and not acceptable will inevitably differ for each.

5.1.4 As good practice, gifts, entertainment, hospitality & travel given and received must always be disclosed to the Compliance Unit. Those received from suppliers must be disclosed to the Compliance Unit.

5.1.5 The intention behind a gift, entertainment, hospitality or travel being given or received should always be considered. If there is any uncertainty, the advice of the Compliance Unit should be sought.

5.2 Facilitation Payments and Kickbacks

5.2.1 The Group does not accept and will not make any form of facilitation payments of any nature. We recognise that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. We recognise that they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.

5.2.2 The Group does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.

5.2.3 The Group recognises that despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their or their family's personal security at risk. Under these circumstances, the following steps must be taken:

- a) Keep any amount to the minimum;
- b) Ask for a receipt, detailing the amount and reason for the payment;
- c) Create a record concerning the payment; and
- d) Report this incident as soon as possible to Compliance Unit.

5.3 Political Contributions

The Group will not make donations, whether in cash, kind or by any other means, to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

5.4 Corporate Social Responsibilities (CSR), Sponsorships and Donations

- 5.4.1** As a responsible corporation, PPG is committed to cultivating a strong relationship with the local communities in which we live and work by contributing to the well-being of the people and the nation. It is however important that all Corporate Social Responsibility (CSR), sponsorships and donations are made in accordance with the Group's guidelines *under Section 5.4.5* and receive prior authorization from the Group's Management or the Board where applicable.
- 5.4.2** As part of our commitment to CSR and sustainable development, as a general matter, the Group 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.
- 5.4.3** As set out in the ABC Policy, employees must ensure that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the Code of Conduct and Business Ethic, including in particular, the prohibition on bribery.
- 5.4.4** PPG needs to be certain that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.
- 5.4.5** In accordance with PPG's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:
- vetted in accordance with PPG's due diligence process
 - ensure such contributions are allowed by applicable laws
 - obtain all the necessary internal and external authorisations
 - be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds
 - be accurately stated in the company's accounting books and records
 - not to be used as a means to cover up an undue payment or bribery

- summarised on a monthly/quarterly basis and passed to the Compliance Unit for review and monitoring

5.5 Money Laundering

Money Laundering defines as occurring 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. PPG strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.

To avoid violating anti-money laundering laws, employees are expected to always conduct counterparty due diligence to understand the business and background of PPG's prospective business counterparties and to determine the origin and destination of money, property and services.

Counterparty means any party that PPG is currently in relationship with or intends to do business with in the future, either on a regular or once-off basis. Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, JV partners and any other business partners.

As sets out in PPG's Board Charter Appendix K, Related Party Transaction and Conflict of Interest Policy are in placed in the situation of conflict of interest happens.

The Finance Department of the Group maintains various financial and non-financial controls for key functions in order to mitigate bribery and corruption risks. In addition, External Auditor and Internal Auditor reviews on such control from time to time upon request.

6. RESPONSIBILITIES OF PPG PERSONNEL

6.1 All PPG personnel (including its Board of Directors, and directors and personnel of its controlled organisations) are required to carry out those responsibilities and obligations relating to the Group's anti-bribery and corruption stance, alongside those already in existence, which includes the following:

- a) Be familiar with applicable requirements and directives of the policy and communicate them to subordinates;

- b) Promptly record all transactions and payments in PPG's books and records accurately and with reasonable detail;
- c) Ask the Compliance Unit if any questions about this policy arise or if there is a lack of clarity about the required action in a particular situation;
- d) Always raise suspicious transactions and other "red flags" (indicators of bribery or corruption) to immediate superiors for guidance on the next course of action;
- e) Be alert to indications or evidence of possible violations of this policy;
- f) Promptly report violations or suspected violations through appropriate channels;
- g) Attend required anti-bribery and corruption training as required according to position;
- h) Not misuse their position or PPG's name for personal advantage.

6.2 When dealing with business associates, all PPG personnel shall not:

- a) express unexplained or unjustifiable preference for certain parties;
- b) make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
- c) exert improper influence to obtain benefits from them;
- d) directly or indirectly offer or make promise or corrupt payments, in cash or in kind for a specific favour or improper advantage from them.

6.3 During an active or anticipated procurement or tender exercise, personnel participating in the exercise in any way whatsoever, shall not:

- a) receive gifts or hospitality or any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise 2 months before and after;
- b) provide anything other than a corporate gift and token hospitality to any external/third party related to the exercise;
- c) be involved in any discussions regarding business or employment opportunities, for personal benefit or for the benefit of a business associate;
- d) abuse the decision-making and other delegated powers given by the top management; and
- e) bypass normal procurement or tender process and procedure.

6.4 When dealing with external parties in a position to make a decision to PPG's benefit (such as a Government official or client), PPG personnel shall not:

- a) offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offer or make promise of corrupt payments, in cash or in kind;
- b) be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party;
- c) otherwise abuse the decision-making and other delegated powers given by the top management, in order to illicitly secure an outcome which would be to the commercial advantage to themselves and/or the Group; and
- d) exert improper influence to obtain personal benefits from them.

6.5 PPG's managers have a particular responsibility to ensure that the ABC Policy requirements are applied and complied with within their department or function and to monitor compliance with the policy. They also must ensure that subordinates in 'Exposed Positions' (identified as vulnerable to bribery through a risk assessment) attend relevant training.

7. STAFF DECLARATION

7.1 All PPG personnel shall certify in writing that they have read, understood and will abide by this policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the personnel's employment. A sample declaration can be found in the **Appendix 1** of this Policy.

7.2 The Compliance Unit reserves the right to request information regarding an employee's assets in the event that the person is implicated in any bribery and corruption-related accusation or incident.

8. TRAINING AND AWARENESS

8.1 The Group will provide training on this Policy as part of the induction process for all new employees. Employees will also receive regular, relevant and tailored role-specific (where necessary) training on how to adhere to this Policy, and will be asked annually to formally accept in writing that they will comply with this Policy.

8.2 The Group's Anti-Bribery & Corruption Policy and zero-tolerance stance shall be clearly communicated to all suppliers, customers, contractors, business partners and any

third parties at the outset of business relations, and as appropriate thereafter. Refer Appendix 2 – Third Party Declaration Form.

- 8.3** The Group shall provide relevant anti-bribery and corruption training to employees, etc., where we feel their knowledge of how to comply with the MACC Act 2009 or other requirements (e.g. the Malaysian Code on Corporate Governance, Bursa's Listing Requirements, Companies Act 2016, etc.) on anti-bribery and corruption needs to be enhanced. As good practice, all businesses in the Group shall provide their employees with anti-bribery training from time to time where there is a potential risk of facing bribery or corruption during work activities.

9. RECORD KEEPING, MONITORING, REVIEWING AND ENFORCEMENT

- 9.1** The Group will keep detailed and accurate financial and other records, and shall have appropriate internal controls (including financial and non-financial) in place to act as evidence for all payments made. We shall declare and keep a written gift declaration record of the amount and reason for gifts, entertainment, hospitality and travel accepted and given, including donations, sponsorships and expenses of similar nature by whatever name called, and understand that such expenses are subject to compliance unit and managerial review. Gift declaration record will be documented and maintained by Finance department and reviewed by Compliance Unit.
- 9.2** The Group's Compliance Unit is responsible for monitoring the adequacy and operating effectiveness of this Policy and shall review its implementation on a regular basis, including assessing its suitability, adequacy and effectiveness.
- 9.3** Internal control systems and procedures designed to prevent bribery and corrupt gratification are subject to regular audits by Compliance Unit every half yearly to ensure that they are effective in practice.
- 9.4** Any need for improvements shall be applied immediately. Employees are encouraged to offer their feedback on this Policy if they have any suggestions on how it may be improved. Feedback of this nature should be addressed to the Compliance Unit.
- 9.5** This Policy will be reviewed on an annual basis by top level management as well as the Board of Directors to ensure that any inadequacies are improved.

9.6 Any employee or person associated with the Group, if found guilty of an act of bribery or corruption in breach of this Policy, shall be dealt with according to the Group's disciplinary measures.

10. REPORTING OF POLICY VIOLATION

10.1 Suitable reporting channels shall be established and maintained for receiving information regarding violations of this policy, and other matters of integrity provided in good faith by PPG personnel and/or external parties. The reporting of violation shall be reported in accordance with PPG's Whistleblowing Policy disclosed on corporate website.

10.2 Personnel who, in the course of their activities relating to their employment at PPG, encounter actual or suspected violations of this policy are required to report their concerns using the reporting channels stated in Whistleblowing Policy.

10.3 Reports made in good faith, either anonymously or otherwise, are highly encouraged and shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

10.4 Retaliation in any form against PPG personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any PPG personnel found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which PPG may pursue.

11. CONTINUOUS IMPROVEMENT

11.1 In maintaining the ABC Policy, PPG shall monitor the legal and regulatory regimes where it operates and any changes to PPG's business environment and risks and identify opportunities for ABC Policy improvement. A report should be submitted to the top management and Audit Committee on an annually basis for the appropriate action to be taken.

11.2 Regular assessments of the ABC Policy should be carried out to ensure its scope, policies, procedures and controls match the bribery and corruption related risks faced by the Group.

11.3 PPG endeavours to impact the business environment where it operates. This includes extending its integrity programme to non-controlled business associates such as suppliers and contractors, seeking to work with companies who have a similar commitment and supporting initiatives in the private and public sectors which are likely to improve the integrity of its operating environment.

**This Policy (Version 1.0) is approved by
Board of Directors of
Pelangi Publishing Group Bhd.**

APPENDIX 1 – STAFF DECLARATION FORM

I, _____, hereby declare that I have read and understood Pelangi Publishing Group Bhd.’s Anti-Bribery and Corruption Policy. I will abide by the requirements and provisions set out in the Policy, as required by my employment contract.

NAME:

DATE:

APPENDIX 2 – THIRD PARTY DECLARATION FORM

1. We are the contractors/ vendors/ suppliers/ solicitors/ agents/ consultants/ joint venture partners/ introducers/ government intermediaries of Pelangi Publishing Group Bhd. (“PPG”).

2. We hereby declare that we will comply with:

(i) All applicable laws and regulations relating to PPG’s Anti-Bribery and Corruption Policy and Whistleblowing Policy & Procedures.

(ii) The following anti-corruption principles:

a) Committing to promote values of integrity, transparency, accountability and good corporate governance.

b) Prevention of corruption and fighting any form of corrupt practice.

c) Supporting anti-corruption initiatives led by the government and the authorities.

(hereinafter collectively referred to as “the requirements”)

3. We have not been convicted nor are we subject to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law, to PPG.

4. We undertake to promptly inform PPG of any breach and/ or alleged/ suspected breach of the requirements and cooperate with PPG in any investigation of such breach involving PPG’s staff.

5. We acknowledge that the provisions set out in this declaration form shall form part of the terms and conditions of our appointment and/ or contract of service.

6. We further acknowledge that PPG has the right to suspend or terminate the contract/ agreement/ job and disqualify us from tendering for future contracts/ jobs if we were found to have breached the requirements or any other terms and conditions implemented by PPG pursuant to the contract/ agreement/ job.

Signature of Authorized Person: _____

Name of Company’s Authorised Person: _____

Company Name: _____

Company Stamp: _____

Date: _____