



Employee Handbook	ANTI-BRIBERY AND CORRUPTION POLICY	Issue 2	Revision 0
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POLICY STATEMENT

Cofreth (M) Sdn Bhd [Company No. 198601002912 (152066-P)], known as "Cofreth," along with its subsidiaries (referred to collectively as the "Company"), pledge to operate their business with utmost legality and professionalism, adhering strictly to the highest standards of integrity and ethics. The Company adopts a firm stance against any instances of bribery and corruption, maintaining a zero-tolerance policy, and diligently upholding all relevant laws concerning anti-bribery and corruption.

1. Overview

In line with the Company's commitment against bribery and corruption, it has developed an anti-bribery and corruption policy to effectively oversee and unify diverse policies and procedures in accordance with anti-bribery and corruption legislation. This policy, outlines the essential principles, policies, and guidelines guiding the Company's stance on anti-bribery and corruption.

2. Anti-Bribery and Corruption Commitment

Cofreth is committed to conducting its business affairs with the utmost integrity, which entails refraining from any form of bribery or corruption in its day-to-day operations.

The company has implemented a strict zero-tolerance policy towards bribery and corruption in all its manifestations. Employees who decline to engage in bribery or corrupt activities will not face any repercussions, even if such refusal potentially results in a loss of business opportunities.

This policy aligns with the ethical values and fundamental principles outlined in the Code of Business Ethics. Full adherence to both the essence and specifics of this policy is obligatory and should be upheld through a principle-driven approach.

3. Scope and Applicability

This Policy is applicable to all directors and employees of the Company including full time, permanent, part-time, employees on probation, trainees and interns, employees on secondment and on fixed-term contracts (collectively referred to as "Employees"). It is also expected that all third parties such as contractors, sub-contractors, consultants, agents, representatives and other persons or entities performing work or services for or on behalf of the Company ("Third Parties") comply with this Policy.

4. Definition of Bribery and Corruption

"Bribery" and "corruption" encompass the act of providing, pledging, offering, receiving, or soliciting an unfair advantage or receiving any form of gratification, whether financial or non-financial, directly or indirectly, regardless of location. This is in contravention of the Malaysian Anti-Corruption Commission Act 2009 (MACCA) or any relevant legislation, with the intention of influencing or rewarding an individual to act or refrain from acting in connection with their duties.

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5. Gifts, Hospitality and Entertainment

This Policy does not forbid the exchange of gifts, hospitality, and entertainment within the ordinary scope of business activities. Nonetheless, it is crucial to recognize that certain offerings of gifts, hospitality, and entertainment might lead to undue influence, or create the appearance or perception of undue influence. Such gestures could potentially be construed as bribery and could harm the Company's reputation.

As a fundamental guideline, all employees are permitted to give and receive gifts, hospitality, and entertainment, provided that these offerings are suitable, moderate (not overly lavish), and align with customary business practices. When evaluating the permissibility of such gestures, employees should consider factors such as the intent and timing, transparency, frequency, adherence to the recipient's policies and regulations, and the legality of the gifts, hospitality, and entertainment.

Certain categories of gifts, hospitality, and entertainment are strictly prohibited. As a guiding directive, the following are strictly prohibited:

- (a) Gifts, hospitality, and entertainment that contravene any laws, regulations, or rules.
- (b) Gifts, hospitality, and entertainment given to a Public Official to facilitate or expedite a routine procedure.
- (c) Gifts, hospitality, and entertainment involving parties currently participating in a tender or competitive bidding process.
- (d) Cash gifts or equivalents, such as items easily convertible to cash.
- (e) Hospitality or entertainment of a sexual nature.
- (f) Gifts, hospitality, and entertainment perceived as extravagant or excessive, potentially damaging the Company's reputation.
- (g) Gifts, hospitality, and entertainment offered or received in exchange for a business advantage, known as "quid pro quo."
- (h) Gifts, hospitality, and entertainment paid for personally to bypass declaration or approval requirements.

It's important to consider the wider context surrounding the offering or receipt of gifts, hospitality, and entertainment. Any gifts, hospitality, or entertainment that could be interpreted as influencing or undermining the impartiality and judgment of the recipient should not be given or accepted.

6. Charitable Donations and Sponsorships

Cofreth permits charitable donations and sponsorships, whether in the form of services, expertise, time, or direct financial contributions. However, it acknowledges the potential bribery risk associated with providing such donations and sponsorships, as they involve payments to third parties without a direct tangible benefit, which could serve as a guise or avenue for bribery. Therefore, all employees must ensure that charitable donations and sponsorships are not utilized as a means to bypass any anti-bribery regulations. No charitable donations or sponsorships shall be extended or made without obtaining prior approval from the Head of Department or the COO, Director & Managing Director.

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Cofreth will refrain from making any donation or sponsorship that carries a direct or implicit insinuation, hint, inducement, understanding, or implication of a desired or anticipated outcome (for example, to secure a business deal or influence a business decision-making process), or that is unlawful or violates any relevant laws.

7. Political Contributions

Cofreth may contribute to political parties or candidates within the bounds of existing laws, ensuring compliance at all times. These contributions must not be aimed at influencing decisions or securing business advantages. Approval from the COO, Director, and Managing Director is mandatory for all political contributions. The Compliance Officer will maintain records of all political contributions.

8. Facilitation Payment and/or Extortion Payment

A "Facilitation payment," commonly known as "Duit Kopi," denotes an illicit or unofficial payment or other forms of gratification given in exchange for services or benefits to which the payer is legally entitled without such payment. It's worth noting that facilitation payments may not necessarily involve cash or financial assets; they can take various forms intended to influence recipients in carrying out their duties.

These payments typically involve remuneration to a Public Official or any individual vested with authority to grant certifications, licenses, permissions, or permits, with the aim of expediting or securing such processes.

An "Extortion payment" involves the solicitation of gratification, with or without a threat if the demand is declined.

The Company unequivocally prohibits the giving or receiving, whether directly or indirectly, of any facilitation or extortion payments.

However, there may be instances where a facilitation or extortion payment is compelled to safeguard one's life, safety, or freedom. In such cases, any such payment must be promptly reported to the Head of Department/Human Resource Department.

9. Employees

Cofreth upholds transparency and ensures equal opportunities for all qualified and capable individuals to join its workforce. Therefore, it is the Company policy to conduct thorough and appropriate due diligence on all prospective employees, considering the risk profile associated with the vacant position or role.

Every employee will receive the Code of Conduct and Ethics for Employees and must adhere to its provisions. Additionally, employees are required to undertake the Integrity Pledge, disclose any actual or potential conflicts of interest, and comply with the Cofreth-ABCS integrated into their employment contracts. Ongoing training and communication regarding anti-bribery and corruption will also be provided to all employees and come part of induction training for newly join employees.

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10. Recruitment, Promotion and Support of Personnel

Cofreth acknowledges the importance of integrity in its staff and business partners. The company's recruitment, training, performance assessment, compensation, acknowledgment, and advancement processes for all Cofreth personnel, including management, are crafted and regularly revised to acknowledge integrity.

Cofreth refrains from offering employment to potential personnel based on their past favouritism towards the company in prior roles.

11. Support Letters

Cofreth assigns contracts and employee positions solely on merit. Consequently, letters of support in any format will not be considered as part of the business decision-making process.

12. Third Parties

Cofreth anticipates that all Third Parties engaging with it will uphold its zero-tolerance stance against bribery and corruption by adhering to relevant anti-bribery and corruption regulations. It is Company policy to perform thorough and suitable due diligence on all Third Parties prior to formal engagement. Each Third Party will receive the Code of Business Conduct for Third Parties and must adhere to this code and any other pertinent policies throughout the duration of their contractual association with the Company.

13. Conflict of Interest

Conflicts of interest occur when personal interests may potentially interfere with the objectivity required to fulfil duties or exercise judgment on behalf of the Company. It is essential for all personnel to steer clear of situations where personal interests could clash with their professional obligations.

Personnel must refrain from utilizing their position, official work hours, Company resources and assets, or accessible information for personal advantage or to the detriment of the Company.

In cases where a conflict arises, personnel are obligated to disclose the matter according to the guidelines outlined in the Employees Handbook.

14. Whistleblowing

Cofreth promotes a culture of transparency and integrity, encouraging all employees, Third Parties, business partners, customers, and members of the public to report any instances of actual or suspected bribery and corruption. All reports, complaints, or disclosures will be treated with utmost confidentiality. Individuals who report in good faith and without malicious intent will be shielded from any form of retaliation or discrimination, irrespective of the investigation's outcome.

To facilitate this process, the Company has established a whistleblowing channel accessible to all employees, Third Parties, business partners, customers, and members of the public to report any instances of actual or suspected bribery or corruption.

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15. Non-Compliance and Investigations

The Company regards any non-compliance or breaches of this Policy and relevant laws with utmost seriousness. Any employee found or reported to be non-compliant or in violation of this Policy or applicable laws may face disciplinary measures, potentially including termination of employment. The Company retains the right to report any suspected criminal actions or activities to the appropriate authorities.

16. Staff Declaration

All Cofreth personnel are required to provide written certification confirming that they have read, comprehended, and will adhere to this policy. A record of this declaration shall be maintained by the Human Resources Department throughout the individual's employment tenure.