

CORRUPTION BRIBERY, FRAUD AND UNETHICAL BEHAVIOUR POLICY

1. INTRODUCTION

Fraud, Bribery, Corruption and Unethical Behaviour is considered a significant threat to an organization's profitability and reputation and is defined as obtaining benefit by unfair or wrongful manner for monetary or personal gains.

2. OBJECTIVES

This Policy is designed to prevent, deter and detect fraudulent and corrupted activities so as to avoid any significant financial, reputation and legal damage to the Company. It is also to set out the guiding principles, values and ethical standards which is expected from each employee and is clearly made known that the Company will not condone to any such practices.

3. SCOPE

This policy covers Evergreen Group of Companies Employees and Directors ("known as Employees").

4. KEY AREAS

A. Corruption

- a. Economic Extortion
- b. Bribes and Kickbacks
- c. Illegal gratuities
- d. Conflicts of Interest
- e. Entertainment & Gifts

B. Asset Misappropriations

Theft, Misuse, infringement, unauthorized disclosure and mishandling. Improper handling of information including unauthorized viewing, copying, distribution, removing damaging, destroying or altering.

C. Fraudulent Financial Statements

- a. Timing Differences
- b. Concealed Liabilities
- c. Fraudulent Assets
- d. Fraudulent Disclosures
- e. Fictitious Revenue
- f. Inaccurate Inventory / Stock
- g. Improper Cash Management

5. CORRUPTION

Corruption can cause distortion in a Company and harm economic, social integrity of the Group as a whole. Bribery is corruption in a form of, any gift, payment or other benefit to which the recipient is not legally entitled to and is offered in order to secure an improper business or advantages in kind.

a. Employees shall at all times ensure that:

- they do not, directly or indirectly, offer, promise to or give any gift, payment or other benefit to any person for the purposes of securing a business deal or an advantage in kind;
- they do not, directly or indirectly, solicit, to accept or to receive any gift, payment or other advantage in kind from any person / organisation in return for providing a business deal or an advantage in kind; and
- their doings / activities do not contravene any applicable laws of each country they are in or dealing with at all times.

b. Employees are strictly prohibited from making facilitation for payments (directly or indirectly) where this could be in breach of any applicable law. The following are examples of corrupt or potentially corrupt activities which employees should never engage in: -

- offering or making an unauthorized payment, or authorizing an improper payment (cash or otherwise) to a local or foreign public official, or any related person or entity;
- attempting to induce a local or foreign public official to do something illegal;
- turning a blind eye to' or failing to report any indication of improper payments or other inducements; and
- offering or receiving any gift, payment or other benefit in relation to obtaining business or awarding tender contracts.

c. Specific Legislations make it a criminal offence to offer or pay a bribe to anyone under the Malaysian Anti-Corruption Commission Act 2009 ("MACC") and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACCA Amendments"). The MACCA Amendments includes the introduction of section 17A of the MACCA 2009, which imposes liability on the Company for corruption committed by persons associated with the Company.

Hence, it is an offence to corruptly receive or to corruptly give any gratification as an inducement, or a reward for, any person or officer of a public body, doing or forbearing from doing anything;

- It is also an offence for any agent, which includes an employee, to corruptly accept any gratification or for any person to corruptly give any gratification to an agent as an inducement or a reward for doing or forbearing to do any act in relation to his principal's affairs or business or to show any favour or disfavour to any person in relation to his principal's affairs or business;
- It also prohibits the giving or the acceptance of any gratification as an inducement or reward; and
- The Corporate Liability Provision – Section 17A of MACCA 2009

Section 17A of MACCA 2009 extended liability on Companies if a person associated with the Company corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent:

- a. to obtain or retain business for the commercial organisation; or
- b. to obtain or retain an advantage / favour in the conduct of business for the company.

Important Note: A “person associated with a commercial organisation” is defined to include a director, a partner or, an employee or any third-party who provides services on behalf of the Company or a subsidiary of the Company.

The Penalty

Therefore, when the Company is found liable, a director, controller, officer, partner, or any person who is concerned with the management of its affairs at the time of the offence, will be held jointly and severally liable with the commercial organisation. Upon conviction, the person can be punished with a fine of not less than 10 times the sum or value of the gratification, if it can be valued, or RM1 million (whichever is higher), or imprisonment for a term not exceeding 20 years, or both.

6. ENTERTAINMENT AND GIFTS

- a. An employee, with the required consent, may use company’s expense account to pay for entertainment, lunches and dinners with people doing or desiring to do business with the Group. The frequency and amount of these expenses should not go beyond the modest level and common courtesy usually associated with reasonable business practice and shall not constitute a lavish expenditure.
- b. In the case of suppliers to Company/Group, an employee may only accept a lunch or dinner paid by the supplier on an occasional basis.
- c. Employees are strictly reminded to comply with the policies and procedures of the Human Resource Department relating to the receipt of gifts and entertainment below. Employees are not encouraged to give or receive business gifts. The giving or receiving of goodwill gifts in the course of business may be permitted provided that they are: -
 - appropriate to the conduct of such business;
 - a token or modest amount; and
 - properly recorded in the books of the company or made known as required.
- d. In determining whether a gift or entertainment is appropriate or consistent with reasonable business practice, the employee shall consider the following factors: -
 - Is the intent only to build or maintain a business relationship or offer normal courtesy, or is it to influence the recipient’s objectivity in making a specific business decision;
 - Is the gift sufficiently modest and infrequent; and
 - Is it legal in the country of the giver and recipient to offer or accept such gifts and entertainment?

e. Some types of gifts are never acceptable. These are: -

- Gifts or entertainment that is illegal or prohibited by law;
- Gifts or entertainment involving parties / company engaged in a tender or competitive bidding process;
- Gifts or entertainment which may have, or may be seen as having, a material effect on any business transaction, or which may be entered into by the Company / Group;
- Gift in cash or cash equivalent (such as cash vouchers);
- Gifts in any kind that is offered for something in return from or to the employee; or
- Any inappropriate entertainment or paid vacation or trips.

d. If the giving of a lavish gift is proposed, this must be approved in writing beforehand by the Executive Directors and simultaneously notified by the employee to the Group Legal Advisor. If a more lavish gift is being received than approved, the employee must notify the Group Legal Advisor immediately and seek the re-approval of Executive Directors immediately after the gift is received or known to be received. Any Employee found failing to inform such receipts, shall be construed as a Misconduct and may be subjected to disciplinary action.

e. All gifts accepted shall be on the basis that they become the property of the Company / Group unless it is being decided otherwise by the Executive Directors.

f. No entertainment or hospitality should be provided or received, and no gift should be given or accepted, in circumstances where it will have, or may be seen as having, a material effect on any business transaction which has been, or may be entered into by or on behalf of the Company / Group or which might give rise to a conflict of interest.

g. No gifts of cash may be given or accepted and employee shall not pay for entertainment or a gift personally in order to avoid having to seek pre-approval. Such action taken by employee will not preclude employee from disciplinary action be taken if found doing so.

h. Employee is strictly prohibited from offering gifts or entertainment other than in accordance with the policies and procedures of your Human Resource Department relating to the giving of gifts and entertainment.

i. Employee is strictly prohibited from offering gifts and entertainment, including travel-related expenses, to any public officials or their family/household members without permission from the Human Resource Department.

j. Employee is strictly prohibited from offering or providing gifts or anything of value to any person, such as an agent, consultant or contractor especially if you are in the know or suspect that a government official or his/her family member will be the indirect beneficiary or recipient.

k. For purposes of this Policy, the term "public official" includes, without limitation, candidates for government office, government officers / officials, member of any political party, and officials of the state/federal government local and abroad.

7. ASSET MISAPPROPRIATIONS

- a. Employees can have access to assets belonging to the Company / Group on the basis of confidence and trust for usage for the furtherance of the interest of the businesses of the Company / Group. These assets may be tangible, for example, vehicles, equipment, including computer hardware and cash, or they may be intangible, such as intellectual property and computer software. Regardless of condition or value, assets belonging to the Company / Group, it should not be knowingly damaged, misused, taken, sold, lent, given away or otherwise disposed of, or used for personal purposes, except with specific prior authorization.
- b. Employees shall take all necessary steps to prevent theft, loss, damage to, or misuse of assets belonging to the Company / Group. Any occurrence of such shall and must be reported immediately to Group Legal Advisor. Any Theft or fraudulent activities by employees is liable to result in immediate dismissal and prosecution after referral to the appropriate authorities.
- c. Limited, occasional or incidental personal use is permitted of certain company equipment and facilities to employees for their individual personal use but provided that it is reasonable and does not interfere with the proper performance of their job, does not have an adverse impact on the company's systems and is not for improper or illegal purpose.
- d. Employees shall at all times show the same respect to the tangible and intangible assets of third parties and must never knowingly damage or misuse such assets belonging to third party.

8. INTELLECTUAL PROPERTY

- a. Employees are encouraged to be inventive and innovative as part of their normal duties. Subject to the requirements of applicable law, the Company / Group shall own inventions, software / computer programs and other results of technological research and development that employees make or to which they contribute while working for the Company / Group.
- b. Employees are not permitted to remove any of company's property without written permission from the Head of Department responsible for the property in question. This includes, but is not limited to: -
 - i) Materials, equipment, parts and tools;
 - ii) Property owned by the company / Group or other employees;
 - iii) Confidential Literature including Technical Drawings / Information, Sales Prices, R & D documents / Samples, Costing of Product, customer base information, or any other information(s) and quality control documents;
 - iv) Computer disks / copying of information / data from systems/programmers, CDs and other storage media; and
 - v) Information identified as proprietary or a trade secret.

Removing or attempting to remove any of the company's property without written permission shall be a Misconduct and grounds for stern disciplinary action which can include immediate dismissal.

9. FRAUDULENT FINANCIAL STATEMENTS

a. The Company / Group financial books and records shall be prepared accurately as required by the prevailing accounting laws. Fair and accurate records are essential to managing the group's businesses correctly and maintaining the integrity of the group's financial reporting and disclosure requirements. Employees responsible for the accounting are required to comply with all policies and procedures established to safeguard and support the integrity and accuracy of the Company / Group's records on financial reporting.

b. The law strictly prohibits any overstating, misquoting, misrepresenting, including overclaiming / cheating on travel or entertainment expense reports, job logs, time sheets or making other dishonest or misleading claims / entries.

In particular, the Code of Conduct & Business Ethics of the Company specifically states that employee shall not:

- Conceal, alter, destroy or modify the Group's records or documents other than in accordance with established ordinary course procedures (and never to impede or frustrate an investigation or audit or to conceal or misstate information).
- Intentionally make a false or misleading entry in a record, report, file or claim;
- Establish accounts, companies or arrangements to circumvent the Company / Group's controls, policies or procedures;
- Fail to cooperate fully and truthfully with the internal and external audits authorized by the Board / Company / Group; and
- Engage in any scheme to defraud anyone or the Company.

c. Honest, accurate and objective recording and reporting of information, both financial and non-financial is an essential requirement for every employee in order to protect the Company / Group's credibility and reputation and to ensure the ability of the Company / Group to meet its legal, tax, audit and regulatory obligations.

d. All data that are created by employees, whether financial or nonfinancial shall and must accurately reflect the transactions and events occurred. Employees shall adhere to all applicable laws, external accounting requirements and Group procedures for financial reporting and other business information.

e. Employees shall at all times cooperate fully with the Company / Group's internal and external auditors and ensure that all information held which is relevant to the audit of any company in the Group is made readily available to the auditors.

10. WHISTLE BLOWING

When in the know of, or suspect, a violation of this Policy, Employees are strongly encouraged to immediately Whistle blow their concerns through the options available in the Group's Whistle Blowing Policy. The procedure of the Whistle Blowing Policy is made available on the Group's website.

Option 1

Report (Verbally or Written) directly to the Executive Directors or call any of these numbers directly if he / she prefers to be anonymous.

1. **Mobile No: 65-96745419- (Mr. Kuo Jen Chang)**
2. **Mobile No: 6012-7978701- (Mr. Kuo Jen Chiu)**
3. **Mobile No: 6012-7178918 (Mdm. Mary Lim)**

Or

Option 2

If he / she still fails to get any response, he / she can directly raise concerns to the Company Secretary by contacting 60-7-2226536 / 2227536 (**Ms. Julie Leong**) or write to her email at BCS.JB@boardroomlimited.com

Or

Option 3

“**Online Whistleblowing Channel**” make a report on their concerns. This channel of Whistleblowing is made available on the group’s website at <http://evergreengroup.com.my/en/formmail-report-of-improper-conduct>

All reports receive through this channel shall be forwarded to the Chairman of the Board immediately for his attention and action.

Or

Option 4

If these channels have been followed and employees still have unresolved concerns or if Employee / Director feel the matter is grave in nature that it cannot be discussed with any of the appointed persons above, he/she should contact the Senior Independent Director (SID) (Mr. Kuan Kai Seng) on his mobile at 6012-7203038 or write to his email at kuankaiseng@gmail.com being the director identified to whom concerns may be conveyed.

11. RISK MANAGEMENT AND INTERNAL AUDIT

Risk Management Committee and its sub-committee are set up to identify areas vulnerable to fraud, bribery and corruption and will be indicate in the Risk Register of the Company / Group. Committee members are required to review this area of risk and update their risk register periodically with the Internal Controls that are to be put in place by Risk Mitigation Owner to deter fraud from happening.

Internal Auditor shall be engaged to perform audits on internal controls in place and Internal Auditor shall make known on areas for improvement for controls to reduce the risk on fraud.

12. FRAUD AWARENESS TRAINING

Fraud Awareness Training shall be provided to all employees on a periodic basis and all Employees shall attend these training and make themselves aware of the circumstance of fraud.

13. PUNISHMENT

Any incidents of corruption in terms of giving or taking shall be dealt with through the Company's disciplinary procedure and / or by the Law depending on the severity of the case.

13. REVIEW OF THE POLICY

This Policy on Corruption, Bribery and Fraud was first adopted by the Board on 01st June 2013, reviewed on 24th Feb 2016 and last reviewed and approved by the Board on February 2019.
