

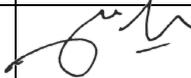
HARPS HOLDINGS BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)



HARPS HOLDINGS BERHAD

ORIGINATION

Internal Review Date	Name	Designation	Signature	Date
28-Oct-2021	Lim Ka-Tsung Joachim	Head of Legal & Compliance		28-Oct-2021

REVISION HISTORY

Revision Code	Revision Description	Person in Charge	Effective Date
00	New procedure in-place	NTH	01 st Jan 2021
01	Revision to reflect the company status conversion from S/B to Bhd	NTH	04 th Feb 2021
02	Reviewed by Legal & Compliance	NTH, JL	1 st Nov 2021

HARPS HOLDINGS BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

PREAMBLE

Policy Statement

HARPS HOLDINGS BERHAD (“HARPS”) and its subsidiaries (collectively referred as “HARPS Group” or “the Group”) is committed to conduct its businesses and operations in an ethical, honourable and upright manner, and in compliance with applicable laws and regulatory requirements with regard to anti-corruption. In so doing, the Group has adopted this Anti-Corruption Policies and Procedures (“this AC Policy”) which is aimed to apply universally to the Directors, Key Senior Management, Employees and Stakeholders of HARPS Group (collectively referred to as “**Staff**” hereon).

For avoidance of doubt, this AC Policy shall be reviewed by Key Senior Management of the Group on periodic basis in consultation with Human Resource Department and Legal & Compliance Department (where necessary).

HARPS has adopted a zero tolerance approach towards all forms of bribery and corruption and have committed to implement and enforce effective systems to combat bribery and corruption through an effective and viable framework in accordance with the pre-requisite anti-corruption laws and standards.

Introduction

This AC Policy is guided by the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”) as well as the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Amendment Act 2018”), and advocates similar principles and standards in HARPS’s business management and approach.

In recognition of these aspirations, the Board of Directors (“BOD”) and Key Senior Management of HARPS (collectively “Key Senior Management”) have engaged an anti-corruption program which is in accordance with the Guidelines on Adequate Procedures as promoted by the Prime Minister’s Department of Malaysia pursuant to subsection (5) of Section 17A of MACC Act 2009, as provided in Section 4 of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Amendment Act 2018”). The provision of Section 17A under MACC Act 2009 establishes the principle of criminal liability (corporate liability) for corrupt practices of employees and/or any person(s) associated with the organisation in cases where such corrupt practices are carried out for the organisation’s benefit or advantage.

Objectives

This AC Policy sets out the initiatives that support HARPS’s aspirations in the prevention of corrupt practices in its day to day operations, especially in the deterrence of corruption, bribery and malpractices or illegal activities that may occur in HARPS, and to regulate its anti-corruption compliance initiatives pursuant to its current operating environment.

This AC Policy shall serve as a guidance to Key Senior Management and all employees on addressing issues relating to corruption, improper solicitation, bribery and other corrupt practices and activities which may arise in the ordinary course of business. It is the responsibility of every party associated with HARPS to strictly adhere to HARPS’s anti-corruption policies and standards. In the event where there is ambiguity over any policies or practices which relate to this AC Policy, employees must always seek

HARPS HOLDINGS BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

the advice of their immediate supervisor or head of department. If the ambiguity persists, their concerns shall be directed to Human Resource Department or Executive Director for clarification and direction.

Coverage

This AC Policy applies to all individuals working with HARPS at all levels and grades, including senior managers, managers, officers, directors, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, interns, agents, sponsors, clients, suppliers, any third party and any other person associated with HARPS.

Infringement

Any infringement of this AC Policy shall constitute a serious misconduct or offence warranting disciplinary action against the offender. Offender participating in bribery and corruption can be subject to penalties of MACC Act 2009.

GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION

Facilitation Payment

Facilitation Payment are unofficial payments or other advantages made to secure or expedite the performance of a routine or administrative duty or function (also known as grease payment). This may be seen as a form of corruption.

HARPS adopts a strict policy of disallowing the use of facilitation payments in its business. Our personnel and associated persons must not directly or indirectly offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. Any request for facilitation payment should be reported immediately to their superior or Head of Department (“HOD”). Alternatively, such act can be reported through our established Whistle Blowing Channel.

Kickbacks

Kickbacks are typically payments made in return for a business favour or advantage. All employees and Key Senior Management of HARPS are prohibited from engaging in kickbacks. A kickback is any payment, not reflected on the face of a business contract that is required to be made to a government agency, a government official, or a private individual in order to conclude the business agreement.

Where the kickback is being extorted and/or any employee of HARPS is being coerced to pay and their safety or liberty is under serious threat and they have no alternative but to make the kickback in order to protect their life, limb or liberty, the affected personnel must immediately report the matter to his/her HOD or the Human Resource (“HR”) Department or the Executive Director (“ED”). In the event such reporting is not possible, a report to the AC Chairman should be made as soon as possible.

For purposes of compliance and safeguarding the interests of HARPS and its employees, every department shall maintain a Log to record any interaction with parties (namely government agency, government official or a private individual); Compliance Department shall conduct yearly audit on the Log to ensure compliance with this AC Policy.

HARPS HOLDINGS BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

Gifts

HARPS adopts a “**No-Gift Policy**” whereby all employees shall not solicit or accept any external “**gift**”, “**grant or receive a meal**”, “**provide a token of appreciation**” or “**accord gestures of gratitude**” from any third party (collectively “**Gift**”) that may have direct or indirect business interest with HARPS. However, HARPS recognises that the exchange of a Gift may be a central part of business etiquette in certain cultures. HARPS also recognises that it is a legitimate way of building business relationships and may be a common practice within the business environment to foster good business relationship with stakeholders or clients.

As such, HARPS requires all employees to abide by this AC Policy to avoid any conflict of interest between HARPS and external parties - as a Gift can be seen as a bribe that may tarnish HARPS’s reputation or be in violation of laws and regulations. Therefore, in the event a Gift is extended (vice versa) under such circumstances, all giving and receiving of a Gift must observe and comply with the No-Gift Policy.

Cultural Gifts during festive occasions may be permitted so long as the recipient declares the Cultural Gift to his/her HOD. Upon obtaining the necessary approval from the relevant HOD, such Cultural Gift is to be registered with the Human Resource Department. Cultural Gifts must be shared amongst colleagues of HARPS at the office location.

If at all there is a possibility for the incurrance of Gift (particularly meals), recipient has to, in addition to registering with the Human Resource Department, notify specifically on the value of the Gift (including Cultural Gift) by way of a specific declaration in terms of the amount. The guidance to be adopted are -

- i. For any amount below RM300.00, the recipient is still required to register with Human Resource Department to record the purpose and also to describe the reason for such Gift.
- ii. For any amount above RM300.00, the first course of action will be to decline the Gift or choose to pay for the Gift by providing an explanation in accordance with this AC Policy, notwithstanding registering it with Human Resource Department. However, if the stakeholder or client insists on proceeding with the Gift, the recipient will have to seek an exceptional approval from Key Senior Management of HARPS by providing a valid reason.

Corporate Hospitality

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

However, it must not be given or give rise to the perception that it is given to obtain business or advantage of any kind or unduly influence on the outcome of a business decision. Employees must exercise proper care and good judgement to protect HARPS’s reputation against any allegation that could influence or be perceived to influence the outcome of a business decision.

HARPS HOLDINGS BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

Entertainment

It is a common practice within the business environment to provide entertainment to foster business relationship. HARPS recognises the need to provide reasonable and proportionate entertainment under appropriate circumstances. As such, authorised employees are allowed to offer appropriate and proportionate entertainment that is legal and reasonable within the scope of their work as part of business networking as well as a measure of goodwill towards the recipients. To note, any form of entertainment shall observe and comply with the amount stipulated in the **No Gift Policy** which applies across all employees of HARPS.

Employees are strictly prohibited from either paying for or participating in any activity which is exorbitant, illegal and immoral, such as lavish/extravagant social functions not related to HARPS' business activities or entertainment from a business associate during a procurement process which may cause HARPS to be perceived as engaging in unfavourable or negative activities.

Political Donations

HARPS does not make or offer monetary or in-kind political contribution to any political party, political party official or candidate running for political office.

Employees and associated personnel of HARPS are not restricted to make any personal political donation or contribution in their own personal capacity. However as matter of clarity, each individual's political views and actions are personal and shall not be associated with any intention to obtain or retain business or an advantage for the benefit of HARPS Group.

Charitable Contributions

HARPS allows charitable donation for legitimate reason, and as permitted by current laws and regulations. However, HARPS strictly prohibits the giving and receiving of donation to influence business decision.

Contributions/donations must be transparent and must not be made to individual or in cash or be made at a request or as an inducement to or reward for acting improperly or to favour the Group.

In accordance with HARPS's commitment to contribute to the community coupled with its values of Integrity and Transparency, all donations must comply with the following:

- Donations are made in accordance with all legal requirements;
- All request for donations must require approval from the Board of Directors;
- Donations are not made to secure any improper business or other advantage;
- Donations are accurately stated in the company's accounting books and records; and
- Not to be used as a means to cover or act as conduit for undue payment or bribery.

HARPS HOLDINGS BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

Conflicts of Interest

Conflicts of interest may arise in a situation where there is a personal interest that might be considered to interfere with that person's objectivity when performing duties or exercising judgement on behalf of HARPS. Employees and associated personnel of HARPS are responsible to avoid or deal appropriately with situations in which personal interest could conflict with the obligations of HARPS, and is responsible to declare their conflict of interest, both on a scheduled basis, and ad hoc basis as soon as such conflict arises.

In order to ensure conflicts of interests are avoided, Key Senior Management are required to observe the Related Party Transaction Policy ("RPTP") – and to disclose and/or confirm any arising related party transactions which may result in a conflict of interest in their execution of their duties. An annual declaration will be required to be made pursuant to the RPTP.

Regular Monitoring and Review

Regular review shall be conducted by Compliance team to monitor, review, improve and assess performance, efficiency and effectiveness of the adequate systems and procedures in place in HARPS. Such review may be conducted internally by Compliance team or externally by an external party appointed to audit. The results of any review, risk assessment, review of controls and performance shall be reported to the Audit Committee on a periodic basis.

Communication and Training

Training is fundamental to ensure the commitment of all personnel working with HARPS to participate in or to comply with the Group's anti-bribery and corruption initiatives, and to equipped such personnel with skills and awareness needed to deal with and manage any conflict situations that they may encounter.

Key Senior Management with the assistance of Human Resource Department and Legal & Compliance Department will identify the information and instructions the Group wishes to communicate internally and externally on anti-bribery and corruption and determine the appropriate communications channels and methods (by way of annual refresher training) that will be most effective in view of the above-mentioned objectives. Communication will be modified and adapted in content and languages to cater for the different audiences, localities and language requirements.

In executing the annual refresher training, Human Resource Department and Legal & Compliance Department will establish a training calendar to conduct such training, where attendance is taken to record participation in the training. All training materials and disseminated information as well as the attendance records of training sessions are kept by the Human Resource Department to meet audit requirements.

Record Keeping

It is important that proper and complete records and documentation of all transactions made by the Group and matters involving any entity within the Group be properly maintained as these would serve as evidence that transactions made were bona fide and were not made with corrupt or unethical intent.

HARPS HOLDINGS BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

All relevant documentation required to be maintained or is in relation to this AC Policy or any other policies or guidelines of HARPS shall cover information such as the details of gifts, entertainments and hospitality as well as donations, sponsorships and facilitation payments - shall be submitted to the Head of Human Resource Department or Finance Department on a quarterly basis for review and retention.

The Head of Human Resource Department or Finance Department shall maintain written records substantiating that due diligence has taken place and that any risks identified have been carefully considered and mitigated as practicably as possible.

All relevant documentation mentioned in this AC Policy shall be retained.

AC Policy Review

This AC Policy shall be reviewed by the Key Senior Management at least once every 3 years. Any material changes required shall be proposed to the Board by the Key Senior Management for approval so as to ensure the AC Policy's continued relevance and effectiveness pursuant to the Group's observance and adoption of zero tolerance approach towards all forms of bribery and corruption, and to comply with applicable laws, regulations and requirements.

- END OF POLICY -