

P.A. RESOURCES BERHAD

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. INTRODUCTION

P.A. Resources Berhad (PA) is committed towards observing the highest standards of ethical business conduct and practices in accordance with laws and regulations. This policy guides and preserves the good reputation of the Group, as we endeavour to realise our Vision and Mission.

2. PURPOSE

PA's policy is our formal document that establishes the behavioural qualities expected of the Group and all of its employees. This highlights and reinforces key areas of ethical and legal conduct, including personal behaviour, particularly those that are related to business activities.

Our policy is not exhaustive, as we cannot cover all issues encountered or situations faced by our employees while working for the group. However, the Group has developed (and will continue to develop more) policies detailing the procedures, directives and guidelines for supporting, promoting and ensuring compliance with our policy.

3. SCOPE

3.1 This policy applies to all employees in the group. Compliance to the Policy is mandatory.

3.2 The nature of the group's businesses requires employees to engage in business with a wide range of parties, both internal and external. This policy establishes the boundaries on interactions with all parties.

3.3 The scenarios provided within this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances relating to bribery.

3.4 The group is committed to conduct its business ethically and in compliance with all applicable laws and regulations, including but not limited to MACCA, Malaysian Penal Code (revised 1977) and its amendments as well as the Companies Act 2016 (Malaysia). These laws prohibit bribery and corruption. Companies are mandated to establish and maintain accurate books and records as well as adequate measures to prevent corrupt practices.

3.5 In cases of conflict between mandatory law and the principles contained in this Policy, the law shall prevail.

4. ANTI-BRIBERY AND ANTI-CORRUPTION

- 4.1 The group has zero tolerance of and strictly prohibits all forms of corruption, including bribery.
- 4.2 Employees must not participate in any corrupt activity such as bribery, kickbacks, extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.
- 4.3 Bribery may take the form of exchange of money, goods, services, property, privilege, employment position or preferential treatment, Employees shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either to benefit the group or the persons involved in the transaction.
- 4.4 This policy applies equally to all business dealings in all countries worldwide, without exception or regard to regional customs, practices or competitive conditions and include interactions with their directors, employees, agents and other appointed representatives at all levels. Even the perception of bribery is to be avoided.
- 4.5 The group recognises the value of integrity in its workforce. No employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the group losing business or experiencing a delay in business operations.
- 4.6 The group awards contracts and employee positions purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process. The group does not offer employment to prospective employees in return for previous favour/in exchange of improper favour.
- 4.7 The group conducts due diligence on employees who hold or may be holding a position identified as vulnerable to bribery through risk assessments. Such positions may include but is not limited to any role involving procurement or contract management, financial approvals, human resource, relations with government officials or government departments, sales, positions where negotiation with an external party is required, or other positions which the group has identified as vulnerable to bribery.

5. CONFLICT OF INTEREST

- 5.1 Conflict of interest is the scenario wherein an employee's personal interest interferes with the interest of the company. A conflict of interest may arise when an officer, director or employee performs an action or holds an agenda that prevents them from performing their company duties and responsibilities honestly, objectively and effectively.

Therefore, an employee must not engage in external activities that may contradict the group's interest, interfere with their responsibilities as PA's employees and potentially damage or misuse the group's reputation, relationships, confidential information and other assets.

5.2 Giving and Receiving Gifts and Entertainment

In principle, employees are prohibited from accepting gifts from any vendors, suppliers, service providers, contractors, customers and any party that may compromise the employee's judgement or decision. However, given the cultural and racial demography of Malaysia, gift giving and receiving as well as attending and holding gatherings are customary, especially during festivals and religious occasions.

However, as a general rule, the receiving and giving of gifts, such as promotional items, are acceptable provided that the cost does not exceed RM300.00.

The prudent course is to refuse a courtesy from a supplier or service providers, most especially in cases where the group is involved in choosing or reconfirming a supplier or service provider or under circumstances that would create an impression that offering courtesies would guarantee obtaining business.

6. BUSINESS ASSOCIATES

6.1 As part of the group's commitment to combat corruption, the group expects all Business Associates such as suppliers, contractors and service providers to abstain from bribery and corruption in their practices.

6.2 The group shall endeavour to include clauses in all contracts enabling the group to terminate any contract in which bribery or corruption has been observed.

6.3 If the group is not satisfied that bribery and corruption prevention has been upheld or if suspicion of bribery and corruption arises, the group may seek an alternative provider of the services or goods.

6.4 Employees are expected to immediately report the situation to their Head of Department if any Business Associate had attempted bribery, coercion or other corrupt practices.

7. REPORTING POLICY VIOLATIONS

7.1 Employees who encounter actual or suspected violations of this policy are required to report their concerns promptly. The group practices an open door policy and encourages all employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner.

7.2 Employees may also utilize the secured whistleblowing channel. More information can be obtained in the Whistleblowing Policy & Procedure.

7.3 Reports made in good faith shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

8. CONSEQUENCES OF CORRUPT PRACTICE

8.1 The 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.

8.2 The group shall notify the relevant regulatory authorities of any identified bribery or corruption incident have been proven beyond reasonable doubt.

9. REVIEW

PA reserves the right to update and amend this policy from time to time.