

ANTI-CORRUPTION AND BRIBERY POLICY

1. Introduction

CYL Corporation Berhad and its subsidiary company (“CYL”) has adopted a zero-tolerance approach to bribery and corruption. The Group strives to conduct all of its business in an honest and ethical manner and to act in good faith. This policy serves as a guide to those working for it on how to recognize and deal with bribery and corruption issues that may arise in the course of business. CYL will uphold and comply with all anti-corruption and anti-bribery laws in Malaysia and in all jurisdictions in which it may operate.

Bribery and corruption are punishable and if CYL is found to be dealing in corrupt practices, on conviction, CYL will be liable to a fine not less than ten times the sum or value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is to of pecuniary nature, or one million ringgit, whichever is higher, or to imprisonment for a term not exceeding twenty years or both.

2. Who is covered by the policy?

This policy applies to all individuals working at all levels and grades, including senior managers, directors (executive and non-executive), employees (permanent, contract, temporary), business partners, contractors, consultants, casual staff, agents, representatives, or any other persons associated with CYL.

3. Gifts and hospitality

CYL has adopted a “No Gift” Policy whereby, the Group employees and directors (executive and non-executive), are prohibited from directly or indirectly, receiving or providing gifts.

CYL requires employees and directors to abide by this policy to avoid conflict of interest for either party in on-going or potential business dealing between CYL and external parties as a gift can be seen as a bribe that may be in violation of anti-bribery and corruption laws.

However, CYL is very much aware that the exchange of gifts can be a very delicate and sensitive matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging CYL’s “No Gift” Policy, some external parties may still insist in providing

gifts to CYL employees and directors. In such limited circumstances where the receiving of gifts e.g. during festive seasons, external parties present hampers (under RM500 in value)/mandarin oranges which isn't going to exert undue influence for the purpose of retaining of business or business advantage, employees are to immediately record the gift in the Gift Activity Reporting Form (Appendix A). Once the acceptance of the said gift is recorded, the decision will be either to allow the employee to retain the gift or to share it with other employees.

The giving or receiving of gifts is not prohibited, if the following requirements are met:

- It is not made with the intention of retaining business or a business advantage, or to reward the provision or retention of business or a business advantage;
- It does not include cash or a cash equivalent. Cash equivalent can be in the form of vouchers, coupons, gift certificates, commissions etc;
- it is given openly, not secretly;
- gifts from CYL to employees or directors in relation to an internal or externally recognized company function, event or celebration e.g. in recognition of and employee/director's service to the company;
- gifts to external parties who have no business dealings with CYL e.g. monetary gifts or gifts in-kind to charitable organisations; and
- gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the Managing Director.

It is not acceptable for an employee (or someone on their behalf) to:

- give, promise to give, or offer, a payment or gift with the expectation or hope that an advantage for CYL will be received, or to reward an advantage already received;
- give, promise to give, or offer, a payment or gift to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- any gift which is lavish or excessive e.g. valued above the maximum threshold permitted by CYL;
- any gift that would be illegal or in breach of bribery and corruption laws.

You must immediately return or decline any gift that falls within the above mentioned categories.

4. Record Keeping

CYL keeps financial records and has appropriate internal controls in place which will evidence the business reason for making payments to third parties.

All employees are to keep a written record of all gifts accepted or offered over RM500 in value, which will be subject to review by the Executive Director/Managing Director.

All employees must ensure that expenses claims relating to gifts or expenses incurred to third parties are submitted in accordance with CYL's expenses policy. Specifically, the reason for the gifts or expense incurred to third parties are to be recorded in the approved Gifts Authorisation form (Appendix B).

5. Entertainment

CYL recognizes that provision and receiving of modest entertainment is part and partial of relationship building when conducting business and is common practice to foster good business relationships with external clients.

However, employees and directors are prohibited to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result.

It is equally important for employees and directors to exercise proper care and judgement before accepting entertainment offered or provided by a third party.

6. Sponsorship and Donations

CYL does not make contributions to political parties. It only make charitable donations that are legal and ethical under local laws and practices. CYL may occasionally support any request for annual dinner contributions organized by customers. Contributions are made with the prior approval from the Managing Director.

7. Facilitation Payments and Kickbacks

CYL does not make, nor does it accept facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.

Kickbacks are typically payments made in return for a business favour or advantage. All staff must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by CYL.

8. Third Parties, Suppliers and Contractors

CYL's dealing with third parties, which include contractors, suppliers, agents, consultants etc must be carried out in compliance with all relevant laws and consistent with the anti corruption and bribery policy of the company.

CYL expects that all third parties acting for or on its behalf abide by the Company's values and ethical standards as their action may implicate CYL and tarnish its image beyond repair.

Some of the steps taken to ensure that CYL only deal with third parties that share the Company's standards of integrity are as follows :

- Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices;
- All third parties must be aware of CYL's Anti Corruption and Bribery policy and our expectation of them;
- Periodically monitor third party performance and business practices to ensure ongoing compliance;
- Due diligence of third parties are undertaken before being included as part of CYL's list of contractor/suppliers.

9. Staff Responsibilities

All members of staff must ensure that they read, understand and comply with this policy which will be included in CYL's staff handbook.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for CYL. All members of staff are required to avoid any activity that might lead to, or suggest, a breach of this policy.

CYL could be held liable for failing to prevent bribery if a person associated with it commits and offence under the Act. All staff must notify the respective Heads of Department/Executive Director/Managing Director of they believe or suspect that a breach of this policy has occurred, or may occur in the future, or if they consider that you have been offered any inducement or reward with a view to obtaining a business or personal advantage.

10. Raising a concern

CYL encourages openness and transparency in its commitment to the highest standard of integrity and accountability.

Concerns should be reported by following the procedure set out in CYL's Whistleblowing policy.

If a concern is raised about any actual, alleged or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken. In addition, employees who whistleblow internally will also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

A copy of the Whistleblowing policy can be accessed from CYL's website.

CYL reserves the right to amend this policy and guidelines.