

CAELY HOLDINGS BERHAD
ANTI-BRIBERY AND CORRUPTION POLICIES

1. Introduction

This policy is issued in pursuant to the provision of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”) and Malaysia Anti-Corruption Commission (Amendment) Act 2018 (“MACC Amendment Act 2018”) which established the principle of an organization’s criminal liability or corporate liability for the corrupt practices of its associated persons where such corrupt practices are carried out for the organization’s benefit or advantage.

The Board of Directors (“The Board”) of Caely Holdings Berhad (“Caely” or “the Company”) and its subsidiaries (collectively “Caely Group”) is committed in conducting its business ethically, as well as complying with all applicable laws, which include compliance with the MACC Act 2009, MACC Amendment Act 2018 and any of its amendments or reenactments that may be made by the relevant authority from time to time.

This policy is to showcase Caely Group’s commitment in upholding the highest level of ethics and integrity in the daily conduct of doing the business. It is also intended to provide employees the guidelines in combating bribery and corruptions.

2. Purpose

The purpose of this Policy is to :-

- 2.1 set out the responsibilities of Caely staff in observing and upholding Caely’s position on bribery and corruption;
- 2.2 Provide information guidance on how to recognize and deal with bribery and corruption issues; and
- 2.3 Foster the growth of a business environment that is free of corruption

3. Our Principles

- 3.1 We take a zero-tolerance approach to corruption and bribery
- 3.2 We conduct all of our business in an honest and ethical manner
- 3.3 We prohibit any receiving, giving or promising of facilitation payments
- 3.4 We do not entertain support letters and request for special privileges
- 3.5 We are committed to act professionally, fairly and with integrity in all our relationship and business dealings we operate, and to implement and enforce effective system to counter bribery
- 3.6 We will uphold laws relevant to countering corruption and bribery. We remain bound by the laws of Malaysia, including MACC 2009, MACC Amendment Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time in respect of our conduct both at home and abroad
- 3.7 To address these risks, we have taken the following steps :-
 - 3.7.1 Implement this policy;
 - 3.7.2 Perform regular corruption risk assessment on our operations and review findings;
 - 3.7.3 Take steps to implement training programmes for all individuals operating in areas of the organization that are identified as high risk; and
 - 3.7.4 Perform regular review and update to this Policy

4. Definitions

- 4.1 Associated persons : The directors, an employee of the organization or the person who performs services for and on behalf the organization.
- 4.2 Benefit : Any form of advantages or profits gained by the associated persons.
- 4.3 Bribery : Offering, promising, giving, accepting or soliciting of an undue advantage of any value, directly or indirectly in violation of applicable law, as an inducement or reward for a person to act or refrain from acting in relation to that person's duties, action and decision.
- 4.4 Corruption : This misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
- 4.5 Facilitation payment : Small sums, unofficial payment made to secure or expedite a routine government action by a government official and associated persons.
- 4.6 Kickbacks : Any form of payment intended as compensation for Favourable treatment or other improper services such as the return of a sum already paid or due as a reward for awarding of furthering business.

5. Scope and Applications

The policy is applicable to all Associated Persons of Caely Group

Each employee has a duty to read and understand the Policy. Violation of any of the Policy's Provision may result in disciplinary action, including termination of employment or they may have to face the consequences of the prosecution of laws if a Director requires further clarification on the Policy, the Director may liaise with the Chairperson of the Board or the Chief Executive Officer and Managing Director, whereas for an employee, the employee may refer or highlight any concerns to the immediate superior, Head of Department or the Chief Executive Officer or the Director.

6. Gifts, Benefits, Entertainment and Hospitality

- 6.1 This Policy does not prohibit normal business hospitality, as long as it is reasonable, appropriate, Modest and bona fide corporate hospitality

Some example of acceptable gifts and / or benefits are as follows:-

- 6.1.1 Token gifts offered in business situations or to all participants and attendees, for example work related seminars, conferences, trade and business events;
- 6.1.2 Gift presented at work-related conferences, seminars and / or business events;
- 6.1.3 Gifts given for hosting business events, conferences and / or seminars;
- 6.1.4 Refreshments and meals prepared for participants during meetings, business events, conferences and seminars; and
- 6.1.5 Meals for business purposes.
- 6.2 We encourage the use of good judgement, discretion and moderation when giving or accepting the gifts or entertainment or hospitality in business settings. Below are some of the guiding factors that may help in making good judgement :-
- 6.2.1 reasonable in value;
- 6.2.2 Infrequent in nature;
- 6.2.3 Transparent and open;

- 6.2.4 Not given to influence or obtain an unfair advantage; and
- 6.2.5 Respectful and customary.

6.3 Barring the circumstances of the above, all persons shall not :-

- 6.3.1 offer, give or promise to give bribe or anything which may be viewed as bribery to secure an improper business advantage;
- 6.3.2 Offer, give or promise to give anything which may be viewed as bribery to government officials, agents or representatives to facilitate or expedite any action or procedure;
- 6.3.3 Request or receive bribe or anything which may be viewed as bribery from third party with the expectation that it will obtain business advantage from them; and/or
- 6.3.4 Involve in any engagement that might lead to breach of this Policy

7. Facilitation Payments and Kickbacks

- 7.1 We do not make, and will not accept Facilitation Payments or Kickbacks of any kind.
- 7.2 Any individual with any suspicious, concerns or queries regarding a payment made on our behalf or improper business practices, he or she should raise these by reporting to the Company via the channel as outlined in our Whistle blowing Policy.
- 7.3 In the circumstances where the party has no alternative but to make a facilitation payment to protect themselves from injury, loss of life or liberty, he or she should immediately report it to superior or Head of Department or Chief Executive Officer or Director.

8. Donations and Political Contributions

- 8.1 Caely Group does not make charitable donation or contributions to political parties. Whilst employees are permitted to make personal political contributions, Caely Group will not make any reimbursement for these personal political contributions back to the employees.
- 8.2 Contributions or donations made by Caely Group to community projects or charities body shall be made in good faith and shall not go against the principle of this Policy.
- 8.3 The funds, services, property, facilities and employees' time of Caely Group shall not be used for or contributed to any political party or candidate of public office to avoid any suspicion of bribery or corruptions which may arise as a result of doing so.

9. Procurement Process

- 9.1 All third parties such as agents, suppliers, contractors and joint venture partners should be made aware of this Policy and the arrangement with them shall be subject to clear contractual terms.
- 9.2 We have processes and adheres to the system of internal control on supplier selection. The selection of supplier is purely based on the business consideration and criteria such as quality of supplies, after sales services, price competitiveness and delivery time.
- 9.3 The selection of supplier is strictly be not based on receipt of gifts, benefits, entertainment and hospitality.
- 9.4 When it involves tendering of contract, a tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender. No parties shall have the unfair advantage of separate, prior or close door negotiations for the contract where a bidding process is open to all qualified bidders. All the sealed bids are in the open for scrutiny and are chosen on the basis of per-determined criteria and to the best interest of Caely Group.
- 9.5 Appropriate assessment shall be conducted on the suppliers to ensure the business and background of the potential business partners are free from bribery elements or conflict of interest prior to procurement process.

10. Responsibilities

- 10.1 Caely Group takes corruption and bribery seriously. Any violation of this Policy will be Regarded as a serious matter and will result in disciplinary actions, including Termination and dismissal in accordance with local laws.
- 10.2 The Board has oversight of this policy. The Chairperson / Managing Director / Chief Financial Officer / General Manager / Head of Department are responsible for ensuring the compliance of this Policy. Every individual and employee are required to be familiar and comply with this Policy.
- 10.3 Any individual and employee with any suspicion, concerns or believes regarding a violation against this Policy has occurred or may occur should raise up, notify and report to the Company via the channel outlined in our Whistle blowing Policy
- 10.4 Bribery is a criminal offence. An employee will be accountable individually whether he or she pays a bribe himself or herself or whether he or she authorizes, assists or conspires with someone else to violate this Policy or anti-bribery or anti-corruption laws. Punishment for violating the law is against him or her as an individual personally and may include imprisonment, probation, mandated community service and monetary fines of which Caely Group will not be responsible for.
- 10.5 Caely Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

11. Record Keeping

- 11.1 We must keep financial records and have appropriate internal controls in place which will evidence, substantiate and justify that business reason for making payments to and receiving payments from third parties.
- 11.2 We must ensure all expenses claims relating to gifts or benefits or entertainment or hospitality made to third parties are submitted in accordance with the Company's Reimbursement policy and procedures and specifically record the reason for such expenditure.
- 11.3 All documents, invoices, accounts, memorandum and records relating to dealing with third parties, such as customers, suppliers, contractors and business contractors, should be prepared and maintained with strict accuracy and completeness. No accounts should be kept "off-book" to facilitate or conceal improper payments.

12. Confidentiality and Protection

- 12.1 Individuals who refuse to accept or offer bribe, or those raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy even if they turn out to be mistaken.
- 12.2 We ensure that no one will suffer any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this Policy in good faith.

13. Communication and Training

- 13.1 Caely Group will on a continuing basis provide training on this Policy, and on how to implement and comply with this Policy for all new and existing employees, especially those employees who operate in areas that are perceived as high risk areas.
- 13.2 Our zero-tolerance approach to corruption and bribery must be communicated to all Suppliers, contractors, agents and business partners at the outset of our relationship with them and as appropriate thereafter. We shall always refer them to this Policy on our Company Website.

14. Monitoring and Review

- 14.1 All the employees and other third parties are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 14.2 Internal control systems and procedures will be subjected to regular audits to provide assurance that they are effective in countering corruption and bribery.
- 14.3 We encourage and welcome all parties to comment and suggest ways to improve and enhance this Policy.
- 14.4 The Board will monitor compliance with this Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.

15. Potential Risk Scenarios : Red Flags

The following is a non-exhaustive list, and is for illustrative purpose only, of possible red flags that may arise for an individual while working for Caely Group and which may raise concerns under various anti-corruption and anti-bribery laws.

If the Associated Person and the third parties come across any of these red flags and believe it may occur potentially while working for Caely Group, he or she must make report promptly in accordance with procedure as set out in our Whistle blowing Policy:-

- 15.1 Become aware that a third party engages in, or has been accused of engaging in improper business practices or has a reputation for paying bribes or requiring bribes;
- 15.2 A third party demands gifts, benefits, commission or fees before committing or continue to sign up a contract with us, or carrying out a consultancy or compliance audit or government function / process for us;
- 15.3 A third party requests that payment is made to a country or geographic location different from the third party residence or place of conducting business;
- 15.4 A third party requests payment in cash or cash equivalent and refuse to provide an invoice or receipt for such payment;
- 15.5 A third party refuses to provide an invoice or receipt for a payment, or you receive an invoice or receipt that appears to be non-standard or customized;
- 15.6 A third party requests an unusually or unexpected large or disproportionate commission or additional fees to "facilitate" a service;
- 15.7 A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiation or provision of services;
- 15.8 A third party requests the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- 15.9 There are signs that the third party is not acting on his own behalf, but is trying to conceal the true beneficial owner's identity;
- 15.10 A third party refuses to sign an agreement and to put terms agreed in writing but insists on the use of a informal letter;
- 15.11 A third party requests that a transaction is structured to evade normal record keeping or reporting requirements;
- 15.12 A third party has a reputation of having a "special relationship" with government, political party or other public official;
- 15.13 A third party refuses to provide or provide insufficient, false or inconsistent information in response to due diligence questions;
- 15.14 A third party refuses to abide by this Policy or does not demonstrate that it has adequate internal anti-corruption and anti-bribery policies and procedures in place; and/or
- 15.15 Been offered an unusually generous gift or lavish benefits or entertainment or hospitality by a third party.

16. Corruption Risk Management

- 16.1 All organization are exposed to corruption risks which exist at all levels of management and operating activities and potentially involve internal and external stakeholders.
- 16.2 Corruption Risk Management (“CRM”) helps to identify structural weaknesses and risk factors that may expose and facilitate corruption.
- 16.3 CRM help to focus on key processes or activities that have high exposure to potential corruption risks.
- 16.4 CRM provides a framework for all staff to take part in identifying risk factors and treatments, and embeds corruption prevention within a well-established governance framework.
- 16.5 We use top-down approach where critical risks are linked to the strategic goals and objectives of Caely Group.
- 16.6 CRM focus on analyzing root causes, impact to Caely Group and its risk treatment plans. We do aware the adverse long-term and short-term consequences that corruption will bring to Caely Group if they are not properly dealt with, for example :-
 - 16.6.1 loss of reputation;
 - 16.6.2 loss of public confidence;
 - 16.6.3 financial losses;
 - 16.6.4 waste of resources;
 - 16.6.5 cost of resources of internal and / or MACC investigations; and
 - 16.6.6 damaging staff morale.

17. Corruption Risk Assessment Process

We adopt Corruption Risk Assessment Process as follows :-

- 17.1 Risk Identification
Identify all potential risks relate to corruption and bribery in each process, activity and system. “What can happen?” and “How it can happen?” are two typical questions used in the process.
- 17.2 Risk Assessment
To estimate the magnitude the likelihood and impact of each type of corruption risk which has been identified.
- 17.3 Risk Control
Design new or enhance existing action plan, internal control systems, policies and procedures to mitigate the identified corruption risks.
- 17.4 Risk Monitoring
Risk management is a continuous process and activity. So, the effective monitoring process is essential in ensuring the effectiveness of the existing measures, and in detecting and correcting any deficiencies or weaknesses of the existing system, policies and procedures from time to time.
- 17.5 Risk Reporting
The reporting of the occurrence of corruption risks by the risk owner must be prompt, not more than 5 working days. And it must be reported to the Chairperson, Managing Director, Chief Financial Officer, General Manager or Head of Department.

This Policy was last updated on 19th February 2020