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INTRODUCTION

Unitrade Industries Berhad (“UIB” or the “Group”) and its subsidiaries (collectively referred to as the “Group”) upholds the highest standards of professional integrity and ethical conduct required of every UIB director, officer, employee and third parties who perform services for or on behalf of the Group. UIB and all the employees are committed to compliance with the **Malaysian Anti-Corruption Act 2009 (“MACC Act”)**, subsequent amendments to the Act and all guidelines issued by relevant authorities pertaining to the same.

This policy aims to ensure that all Employees and Associated Persons of UIB are aware of their obligation to disclose any corruptions, briberies, conflict of interest or similar unethical acts that they may have, and to comply with this Policy to follow highest standards of ethical conduct of business.

POLICY STATEMENT

1. It is the Group's policy to conduct all its business in an ethical, responsible and transparent manner. The Group takes a zero-tolerance approach to bribery and corruption and is committed to the highest standards of integrity, openness and accountability in the conduct of the Group's business and operations. It is the goal of the Group to avoid acts which might reflect adversely upon the integrity and reputation of the organisation.
2. This Policy applies to the Group, its employees, directors and associated persons (i.e. agents, consultants, contractors, suppliers, customers, bankers and any other persons dealing with the Group). Compliance with the Policy constitutes terms of service or conditions of providing services to the Group by these said parties. Each such person is bound to the provisions of this Policy upon notification of the most recent copy being given to them.
3. The purpose of this Policy is to:
 - Set out the responsibilities of the Group, its employees, directors and associated persons, in observing and upholding the Group's position on bribery and corruption; and
 - Providing information and guidance on how to deal with bribery and corruption issues that may arise in the course of business.

POLICY STATEMENT

- Individuals involved in bribery and corruption will be liable to fine or sentenced to imprisonment under the MACC Act 2009 (Amendment 2018). The Corporate Liability Provisions under the amended Act make the Group criminally liable for the bribery and corrupt acts of its “associated persons” unless the Group can prove that it had implemented adequate procedures to prevent the occurrence of such acts. If the Group or its employees, directors or associated persons is found to have taken part in such acts, the Group would face a hefty penalty (*fine not less than 10 times the sum or value of the gratification, or RM1 million, whichever the higher, or imprisonment not exceeding 20 years or both fine and imprisonment*) and may face damage to reputation, financial loss and disbarment from business and other negative consequences. Employee engaging in bribery or corrupt practices may face dismissal, fine and imprisonment. Therefore, the Group takes its legal responsibilities very seriously.

FORMS OF BRIBERY AND CORRUPTION

- For purposes of this Policy, each of the examples in 2 to 4 below is referred to as “**bribery and corruption offence**”.

- Bribes

A **bribe** is the act of giving or receiving something of value in exchange for some kind of influence or action in return, that the recipient would otherwise not offer. A bribe is the gift bestowed to influence the recipient’s conduct. It may be money, goods, rights in action, property, preferment, privilege, emolument, objects of value, advantage, or merely a promise to induce or influence the action, vote, or influence of a person in an official or public capacity.

- Kickbacks

A **kickback** is a form of negotiated bribery in which a payment is paid to the bribe-taker in exchange for services rendered or to cooperate in an illegal scheme. The most common form of kickback involves a vendor submitting a fraudulent or inflated invoice (often for goods or services which were not needed, of inferior quality, or both), with an employee of the victim Group assisting in securing payment. For his/her assistance in securing payment, the individual receives some sort of payment (cash, goods, services) or favour.

- Extortions

An **extortion** is a criminal offence of obtaining money, property, or services from an individual or institution, through coercion, i.e. action or practice of persuading someone to do something using force or threats (verbal or written).

ANTI-BRIBERY AND CORRUPTION STANDARDS

1. It is prohibited for the Group, its employees, directors and associated persons to:
 - a) Give, promise to give or offer, a payment, gift or hospitality to a third party or otherwise engage in or permit a bribery offence to occur, with the expectation that an advantage in business will be received, or to reward a business advantage already given.
 - b) Give, promise to give or offer, a payment, gift or hospitality to a third party to “facilitate” or expedite a routine procedure.
 - c) Accept a payment, gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Group in return.
 - d) Threaten or retaliate against another employee who has refused to commit bribery offence or who has raised concern under this Policy or Whistleblowing Policy.
 - e) Engage in any activity that may lead to a breach of this Policy.
2. In the event any suspicion of any action conflicting to this Policy occur, an employee, director or associated person must notify the Head of Human Resources of the Group.
3. Non-compliance with this Policy may result in criminal or civil penalties which will vary according to the offence. An employee acting in contravention of the Policy will also face disciplinary action up to and including dismissal.

CONFLICTS OF INTEREST

1. Conflicts of interests must be avoided any where an actual, perceived or potential conflicts of interests occurs, it must be recorded in the **Conflicts of Interest Register** maintained by Human Resources Department who will then highlight to the Head of Department or Top Management to note and decide on the course of action to mitigate the conflicts of interests.
2. Conflicts of interests happen in situations where two or more competing interests’ conflict and impair an individual’s ability to make objective decisions. Generally, conflicts of interests arise when personal interests interfere with Group's interests. It may not necessarily result in unethical or illogical acts but may arise when employee take actions or have interests that may make it difficult to perform their roles in Group objectively.
3. It is not possible to list all situations or relationships which may create a conflict or the appearance of one, so each situation must be evaluated as they can be damaging to employee or to the Group. Conflicts of interests which are fully disclosed in certain circumstances may be acceptable, assuming appropriate mitigations have been agreed and implemented.

CONFLICTS OF INTEREST

4. Each department must ensure that:
 - a) Employees are aware of the need to declare any actual, perceived or potential conflicts of interests in the Register.
 - b) Head of Department agree and record any actions required to mitigate the conflicts of interests in the Register.
 - c) Any actual, perceived or potential conflicts of interests that cannot be resolved in that manner is escalated to the **Head of Human Resources of the Group for advice and/or MD/CFO/COO** for final decision.

RECEIVING AND PROVIDING GIFTS

1. As a general principle, UIB employees and directors are prohibited to ask, accept, offer or/and give gift for personal benefits to avoid conflict of interest or the appearance of conflict of interest. He/she should refrain from taking advantage of his/her position or exercising his/her authority to further his/her own personal interest at the expense of the Group.
2. Gifts offered or received, will only be acceptable if they are:
 - Reasonable
 - Appropriate
 - Legal
 - Not intended to influence
 - Provided in accordance with this Policy

The Group is well aware that the exchange of gifts can be a very delicate matter whereby in certain cultures or situations, gift giving is a central part of business etiquette. Refusal to accept the gift from another party or not providing such gift to another party may be affect the Group's business relationship with them. Receiving/accepting a gift or providing the gift on behalf of the Group is allowed only in limited circumstances as stated below.

RECEIVING AND PROVIDING GIFTS

3. Employees are expected to immediately **declare the gift** (monetary and non-monetary) based on the following limits:

- **Receiving gift: RM500 and above**
- **Providing gift: RM500 and above**

Provided in the **Declaration of Gifts Received or Provided** respectively, this **declaration form** will be submitted to **Head of Human Resources of the Group for advice and/or MD/CFO/COO** for them to note and decide on the course of action. The type of gifts and decisions made are recorded in the **Gift Register** maintained by Human Resources Department.

4. In the event the gift is accepted, the Head of Human Resources of the Group must determine the treatment of the gift whether to:

- a) Donate the gift to charity; or
- b) Hold it for departmental display; or
- c) Share it with other employees in the department; or
- d) Permit it to be retained by the employees.

5. In determining the above, the Head of Human Resources of the Group are expected to exercise proper care and judgement in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position/seniority of the person(s) receiving the gift, the business context, reciprocity, applicable laws and cultural norms.

6. Exceptions to the general rule on receiving and provision of gifts are permitted in the following situations:

- a) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as Group property);
- b) Gifts from the Group to external institutions or individuals in relation to the Group's official functions, events (e.g. commemorative gifts or door gifts offered to all guests attending the event) and festive celebrations;
- c) Gifts from the Group to employees and directors and/or their family members in relation to an internal or externally recognised Group function, event and celebration (e.g. in recognition of an employee's or director's service to the Group);
- d) Token gifts of nominal value normally bearing the Group's logo or (e.g. t-shirts, pens, diaries, calendar and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the Group's brand building or promotional activities; and

RECEIVING AND PROVIDING GIFTS

- e) Gifts to external parties who have no business dealings with the Group (e.g. monetary gifts or gifts in-kind to charitable organisations).
7. In the above exceptional circumstances, employees and directors are expected to exercise proper judgment in handling gift activities and behave in manner consistent with the general principles set out in UIB Code of Conduct as follows:
- Adhere to the highest standard of integrity and behavior,
 - Avoid conflicts of interest,
 - Comply with applicable laws, regulations and Group's policies and procedures, and reporting on any non-compliance.
8. Any gift that falls within the categories below is not permissible and must be declined:
- a) Any gift of cash or cash equivalent in the form of vouchers, discounts, coupons, share, and commissions, etc.;
 - b) Any gift involving parties engaged in a tender or competitive bidding exercise;
 - c) Any gifts that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required;
 - d) Any gift that would be illegal or in breach of local or foreign bribery and corruption laws.
 - e) Any gift which is lavish or excessive or may adversely affect the reputation of the Group.

If you receive a request for a bribe or if you are offered a bribe, you must report it to your Head of Department or the Head of Human Resources of the Group.

PROVIDING AND RECEIVING ENTERTAINMENT

1. The Group recognises that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with customers, auditors, consultants and other parties dealing with the Group ("external parties"). As such, eligible employees are allowed to entertain external parties through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients. Employees and directors should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore you should always exercise proper care and judgment when providing entertainment to third parties especially when it involves public officials to ensure compliance with local anti-bribery and corruption laws.

PROVIDING AND RECEIVING ENTERTAINMENT

2. Employees and/or Directors are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and corruption. He/she is required to maintain expenses within the limits of his/her entitlement stated in the policy set by the Head of Human Resources of the Group, when carrying out entertainment activities.
3. Group also recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships. However, it is important for employees and directors to exercise proper care and judgement before accepting entertainment offered or provided by a third party. This is not only to safeguard the Group's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.
4. Any entertainment activity that falls within the categories below is not permissible and must be declined:
 - a) Any entertainment activity that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the entertainment provided, some expected or desirable outcome is required.
 - b) Any entertainment activities that would be illegal or in breach of local or foreign bribery laws.
 - c) Any entertainment activities that would be perceived as extravagant, lavish or excessive or may adversely affect the reputation of the Group.
 - d) Any entertainment activity that is sexually oriented or may otherwise tarnish the reputation of the Group.

CONTRIBUTIONS, SPONSORSHIPS AND DONATIONS

1. Group is prohibited to make donations, whether in cash, kind or by any other means, to support political parties or candidates as it is perceived as an attempt to gain improper business advantage.
2. Sponsorships and donations made to charities or beneficiaries shall not be disguised as illegal payments to government officials or to fund illegal activities in violation of anti-money laundering, anti-terrorism and other applicable laws.

CONTRIBUTIONS, SPONSORSHIPS AND DONATIONS

3. In accordance with the Group's commitment to contribute to the community as part of Corporate Social Responsibility, coupled with its values of integrity and transparency, all contributors, sponsorships and donations must comply with the following;
 - made legally under local laws and practices;
 - obtain all the necessary authorization in accordance to the Group's Policy;
 - be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
 - be accurately stated in the Group's accounting books and records; and
 - not to be used as a means to facilitate and conceal acts of bribery.

RECORD-KEEPING

1. The Group must develop, implement, maintain and monitor a system of internal control to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards throughout the Group.
2. The Group must keep financial records and all other records including form and registers for a period of 7 years as evidence that transactions are executed, approved and recorded according to policies and procedures on anti-bribery and corruption.
3. All transaction must be executed in line with management's authorisation, and that the Group prepares accurate financial statements to conform with applicable Malaysia Financial Reporting Standards and other regulatory/statutory requirements.
4. The Group must maintain available for inspection books and records that document all financial transactions and risk assessments. No accounts or cash funds are to be kept "off-book" to facilitate of conceal improper payments. The use of false documents and invoices is prohibited, as is the making of inadequate, ambiguous or deceptive bookkeeping entries and any other accounting procedure, technique or device that would hide or otherwise disguise illegal payments.
5. To ensure effectiveness of internal controls, finance personnel and management will review transactions and expense or payment requests for warning signs that signal transactions being performed not on commercial basis or which present risks to the Group.

REPORTING VIOLATION, INVESTIGATION AND DOCUMENTATION

1. Any employee, director or associated person must immediately report in accordance with the procedures set out in this Policy when they;
 - (a) Uncover an instance of bribery; or
 - (b) Suspect that a bribe has been, or is in the process of being, paid or received or merely discussed;
 - (c) Receive or otherwise become aware of information which suggests that a bribe is in the process of being, paid or received or merely discussed.
2. Any prohibited act or possible violations of the Policy shall be reported to the **Compliance Officer/CFO** who will perform initial investigation. Where the matter is deemed potentially serious, it will be promptly reported to the **Whistleblowing Committee**, and the procedures are as stated in the **Ethics & Compliance Whistleblowing Policy & Procedures**.
3. No employee, director or associated person will suffer demotion, penalty or other adverse consequences for refusing to engage in or permit a bribery offence or raising concern or reporting possible wrongdoing, even if it may result in the Group losing business or suffer a disadvantage. He/she is entitled to raise concerns about violations or potential violations of this Policy in confidence and without risk of reprisal.
3. Group has adopted a Whistleblowing Policy which provides procedures for reporting concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/has taken place/may take place in the future. The Whistleblowing Policy can be found in UIB website at www.unitrade.com.my.

RESPONSIBILITY OF THIS POLICY

1. Managers have full authority to implement this Policy within their areas of responsibilities, which include;
 - a) designing, implementing and maintaining systems and controls to prevent, minimize risk and detect any bribery and corruption practices;
 - b) ensuring that employees are aware of any understanding this Policy;
 - c) ensuring employees participate in any training specific to the needs on the said employee or job function;
 - d) act promptly if employee expressed any concern and handle the matter in accordance to this Policy.
2. The MD/CFO/COO has overall responsibility for ensuring this Policy complies with the Group's legal and ethical obligations.
3. The Head of Human Resources of the Group has primary responsibility in reviewing the implementation of this Policy, considering its suitability and adequacy, as well as monitoring its use and effectiveness.
4. All employees, directors and associated personnel are responsible for the success of this Policy and ensure that they follow the policy and procedures set out herein. They are also invited to comment on this Policy and propose ways to improve this Policy. Comments, suggestions, and queries should be addressed to the Head of Human Resources of the Group.

MONITORING AND REVIEW

1. This Policy shall be revised as and when the need arises for any amendment or update.
2. Amendments to this Policy must be approved by the MD/CFO/COO.

COMMUNICATION AND PUBLICATION OF THIS POLICY

1. This Policy is made accessible to all employees, directors and associated personnel on the Group's website at www.unitrade.com.my and they shall acknowledge that they have read, understood and agreed to comply with the Anti-Bribery and Corruption Policy of Unitrade Industries Berhad in **Appendix A**. Any amendments to this Policy shall be communicated to them accordingly.

APPENDIX A

To: The Head of Human Resources of the Group
UNITRADE INDUSTRIES BERHAD and its subsidiaries

ACKNOWLEDGEMENT OF ANTI-BRIBERY AND CORRUPTION POLICY

I, _____ NRIC No. _____
(Name)

Acknowledge that I have read, understood and agree to comply with the Anti-Bribery and Corruption Policy of **UNITRADE INDUSTRIES BERHAD** and its subsidiaries, and have not violated and will not violate the provisions of this Policy. We are not aware of any violations of the Policy as of the date hereof.

Date: _____

Signature :

Name:

Staff No.:

Department: