

PECCA GROUP BERHAD

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1. INTRODUCTION

- 1.1 The Group (as defined hereinafter) is committed to the highest level of integrity and accountability in everything it does and will not tolerate any form of misconduct that would jeopardise its good standing and reputation.
- 1.2 The Group adopts a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all our business dealings and relationships.
- 1.3 Under Section 17A of the MACC Act (as defined hereinafter), any corrupt practice or bribery committed by a person associated with the Group (including but not limited to, Directors (as defined hereinafter), Employees (as defined hereinafter) and a person who performs services for and on behalf of the Group e.g., subsidiaries, associate companies, agents, contractors and joint venture partners) will cause the Group to be liable and be penalised, by way of a fine and imprisonment, regardless of whether the offence is committed within or outside of Malaysia, or with or without the knowledge of the Group. Consequently, if the Group is held liable under the MACC Act, the Directors, controller, officer, partner or persons concerned in the management of affairs of the Group shall be deemed to have committed the same offence.
- 1.4 It is therefore important that you understand how bribery and corruption may be committed under the MACC Act and the legal consequences arising from such act as well as to take steps to prevent bribery and corruption from happening.
- 1.5 This ABAC Policy (as defined hereinafter) embodies the Group's commitment in this regard, and sets out what is permissible and non-permissible conduct in the business practices of the Group.
- 1.6 This ABAC Policy is to be read in conjunction with (a) other internal Group's policies and procedures applicable to each department and subsidiary; and (b) the relevant laws and regulations of the jurisdictions in which the Group operate.
- 1.7 If you have any concerns or require further clarification in respect of the application of this ABAC Policy, you should consult the following persons:
 - (a) relevant HOD (as defined hereinafter);
 - (b) CFO (as defined hereinafter);
 - (c) any members of the Bribery Risk Assessment Sub-Committee; or
 - (d) any members of the Audit and Risk Management Committee.
- 1.8 An electronic version of this ABAC Policy is available at the official website of the Company at www.peccaleather.com.

2. APPLICABILITY

- 2.1 This ABAC Policy applies to all Employees and Directors of the Group.
- 2.2 In order to ensure strict compliance and adherence with this ABAC Policy by the Employees and Directors, the respective HOD, members of the Bribery Risk Assessment Sub-Committee and the Audit and Risk Management Committee are responsible to ensure that their subordinates read, understand and comply with this ABAC Policy at all times.
- 2.3 All Employees and Directors shall sign a Declaration of Compliance (enclosed as **Appendix A**) confirming that they have read, understood and will adhere to this ABAC Policy. The Declaration of Compliance shall be documented and retained by the Human Resource Department.
- 2.4 Similarly, Business Partners, Suppliers and any third parties having a business relationship with the Group are expected to strictly adhere to the relevant sections of this ABAC Policy which are relevant to their business relationship with the Group or in performing services for the Group.
- 2.5 Any investigations concerning bribery, corrupt practices, money-laundering or non-compliance with this ABAC Policy by Business Partners, Suppliers or third parties having a business relationship with the Group or their shareholders, directors, officers or affiliates may result in the termination of the business relationship by the Group.

3. DEFINITIONS

3.1 The following definitions shall apply unless otherwise expressly stated in this ABAC Policy:

ABAC Policy	:	means this anti-bribery and anti-corruption policy;
Business Partners	:	means the parties that the Group conducts business with, who are not Suppliers or customers of the Group, including, without limitation, partners and/or shareholders in joint venture arrangements or companies, mergers and acquisitions and significant investments;
CFO	:	means the Chief Financial Officer;
Company	:	means Pecca Group Berhad;
Directors	:	means every director of the Group (including executive and non-executive), except as otherwise stated in this ABAC Policy;
Eligible Personnel	:	means the list of personnel who has been approved and authorised by the Audit and Risk Management Committee;
Employees	:	means any person who is employed under a contract of service by the Group including persons who are on contract, secondment, apprenticeship, attachment whether remunerated or otherwise;
Immediate Family	:	means Employee's spouse, parent, child, sibling, grandparent and parent-in-law;
Gifts	:	means anything of value that a Director, Employee, Business Partners, Suppliers or any third parties having a business relationship with the Group, gives or receives either directly or indirectly in cash or in kind including but not limited to, goods or services, promotional products, entertainment, such as meals, travel or tickets to events, gratuities, discounts or personal favours that are intended to influence or reward an individual or entity;
Group	:	means the Company, all its subsidiaries, associate companies and joint venture companies;
HOD	:	means Head of Department;
Hospitality	:	means meals, invitations to events, functions, social gatherings, social kinds (e.g., sporting and cultural events) or business lunches and drinks or dinners, travel and overnight accommodation;
MACC Act	:	means Malaysian Anti-Corruption Commission Act 2009 (revised 2018);
Public Official	:	(i) means any person who is a member, an officer, an employee or a servant of the following public body– (a) the Government of Malaysia;

- (b) the Government of a State;
 - (c) any local authority and any other statutory authority;
 - (d) any department, service or undertaking of the Government of Malaysia, the Government of a State, or a local authority;
 - (e) any society registered under Section 7(1) of the Societies Act 1966;
 - (f) any branch of a registered society established under Section 12 of the Societies Act 1966;
 - (g) any sports body registered under Section 17 of the Sports Development Act 1997;
 - (h) any co-operative society registered under Section 7 of the Co-operative Societies Act 1993;
 - (i) any trade union registered under Section 12 of the Trade Unions Act 1959;
 - (j) any youth society registered under Section 9 of the Youth Societies and Youth Development Act 2007;
 - (k) any company or subsidiary company over which or in which any public body as is referred to in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (i) or (j) has controlling power or interest; or
 - (l) any society, union, organization or body as the Minister may prescribe from time to time by order published in the Gazette; and
- (ii) any foreign public official as defined under the MACC Act; and

Suppliers : means a person or organisation that is appointed to provide products or services to the Group including, without limitation, suppliers, contractors, sub-contractors, service providers, vendors, agents, consultants, representatives and others who are acting for or on behalf of the Group.

3.2 Interpretations

In this ABAC Policy, unless the context requires:

- (a) The English version shall be the official text for reference and shall prevail in the event of any dispute arising out of the interpretation of this ABAC Policy.
- (b) Words importing the masculine shall be deemed and take to include the feminine gender and vice versa.
- (c) Words importing the singular shall be deemed and taken to include the plural and vice versa.

- (d) References to “you” in this ABAC Policy refer to any person to whom this ABAC Policy applies. Where more specific references are used (such as “Employee”), the more specific reference is intended.

4. **DEFINITION OF BRIBERY**

4.1 What is Bribery?

Bribery is the act of offering, promising, giving, accepting or soliciting of an undue advantage of any value/gratification (which could be financial or non-financial), directly or indirectly in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to that person's duties, action or decision.

4.2 Examples of Gratification

These are some examples of gratification:

- | | |
|-----------------------------------------------------------------------------|----------------------------------------------------------------|
| (a) money | (h) golf club membership |
| (b) financial benefit | (i) festival money packets (ang pao) |
| (c) employment | (j) discounts |
| (d) property (movable and immovable) | (k) commission |
| (e) office and employment | (l) facilitation payments |
| (f) forbearance to demand money or release from loan | (m) paid expenses (car repairs, stereo systems and appliances) |
| (g) protection from liability or penalty (disciplinary, civil and criminal) | |

**The list above is not exhaustive.*

4.3 Illustrations

Illustration 1 : Mr. A is running an overseas field office for a multinational company and still needs a big deal to reach the annual sales target. Mr. A is preparing the bid for a big contract that he is eager to win. Mr. B, a consultant, who is close to the customer approaches Mr. A and provides Mr. A with information on bids already submitted by some of the competitors in exchange for payment of a fee by Mr. A to Mr. B.

Illustration 2 : Mr. C is a contractor while Mr. D is a government officer in the department that awarded the contract. Mr. C gives an expensive watch worth RM 1,800 to Mr. D for facilitating the approval of a construction project in favour of Mr. C's company.

Illustration 3 : Mr. E, works in a company that imports goods into the country. Mr. E gives a gift to Mr. F, a government officer, on a regular basis for not holding up or delaying the inspection process of the goods when it arrives from overseas.

4.4 For avoidance of any doubt, the Group assures that no Employees and Directors will suffer any detrimental treatment for refusing to participate in any bribery or corruption act even if such refusal may result in the Group losing business or experiencing any delay in business operations. Detrimental treatment includes dismissal, demotion, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

5. GIFTS AND HOSPITALITY

5.1 Gifts

5.1.1 General Rule

5.1.1.1 The Group adopts a “No Gift Policy”.

5.1.2 Giving or Providing Gifts

5.1.2.1 Employees, Directors and their Immediate Family, including agents acting for or on behalf of the Group, Employees, Directors or their Immediate Family are prohibited from directly or indirectly, providing or offering to give any gifts, authorising the payment of money or anything of value to the existing or potential Business Partners, Suppliers or any third parties that have business dealings with the Group, to influence any act or decision or to secure any other improper advantage in order to obtain or retain business.

5.1.2.2 This is to prevent any conflict of interest situations arising between the parties in existing or potential business dealings with the Group.

5.1.2.3 A “Gift” can be seen as a form of gratification which is the act of giving or receiving any item of value that may give rise to a violation of the MACC Act and jeopardise the good standing and reputation of the Group.

5.1.2.4 Employees and Directors are not allowed to provide Gifts to Business Partners or Suppliers or third parties with whom the Group conducts business with unless they fall within the list of Eligible Personnel (as defined hereinafter) and the provision of Gifts is made in accordance with the Group’s policies and procedures.

5.1.3 Soliciting or Receiving Gifts

5.1.3.1 Employees, Directors and their Immediate Family, including agents acting for or on behalf of the Group Employees, Directors or their Immediate Family are prohibited from directly or indirectly, soliciting or receiving any Gifts from the existing or potential Business Partners, Suppliers or any third parties that have dealings with the Group, to influence any act or decision or to secure any other improper advantage in order to obtain or retain business.

5.1.3.2 Employees and Directors are not allowed to receive Gifts from Business Partners or Suppliers or third parties with whom the Group conducts business with unless it is in accordance with the Group’s policies and procedures.

5.1.3.3 If a Gift cannot be declined or has been received and cannot be returned, you shall immediately inform the Head of Human Resource Department and surrender the Gift in accordance with Group’s policies and procedures.

5.1.3.4 In such an event, the Head of Human Resource Department shall determine whether such Gifts should be retained, shared with the departments, auctioned in aid of charity or displayed in offices or be disposed of or given away in any other manner.

5.1.3.5 In making a decision pertaining to the treatment of the Gifts, the Head of Human Resource Department shall exercise proper care and judgement on a case-by-case basis, taking into account pertinent circumstances including the character of the Gifts, its purpose, the position/seniority of the person(s) providing the Gifts, the business context, reciprocity, applicable laws and cultural norms.

5.1.4 The purpose of the prohibition against providing and receiving Gifts is to ensure that the offer of a Gift does not create an obligation to give special treatment or unfair advantage to the giver or be construed by others to allege favouritism, discrimination or other unacceptable practice.

5.1.5 Any Gift if given or received should be able to withstand public scrutiny without damaging the Group's reputation.

5.1.6 *Do's and Don'ts with regards to Gifts*

Do's	Don'ts
Employees and Directors must inform third parties with whom the Group conducts business, of the Group's No Gift Policy and that such parties must respect and adhere to it.	<p>The Employees and Directors are not allowed to give or receive Gifts unless it is in accordance with the Group's policies and procedures. The following categories of Gifts are strictly prohibited and the Employees and Directors must return the Gifts to the senders:</p> <ul style="list-style-type: none"> (a) cash or gift cards; (b) Gifts that the recipient is not entitled to receive under the applicable laws; and (c) Gifts that contravene any rules applying to the individual to whom the gift is offered (i.e. any policy that another organisation has in place).
All dealings in relation to Gifts must be carried out in accordance with the Group's policies and procedures such as this ABAC Policy.	
If a Gift cannot be declined or has been received and cannot be returned, you shall immediately inform the Head of Human Resource Department and surrender the Gift in accordance with Group's policies and procedures.	
	<p>Employees and Directors are also prohibited from conducting the following:</p> <ul style="list-style-type: none"> (a) soliciting or receiving any Gifts from existing or potential

	<p>Business Partners or any third parties that have dealings with the Group unless it is in accordance with the Group's policies and procedures; and</p> <p>(b) providing or offering to give any Gifts to existing or potential Business Partners or any third parties that have business dealings with the Group which contravenes the Group's policies and procedures.</p>
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5.2 Hospitality

5.2.1 Providing Hospitality

5.2.1.1 General Rule

Employees and Directors are not allowed to provide Hospitality to any parties to whom the Group conducts business with, that could influence or be perceived to be capable of influencing a business decision. This includes, Business Partners, Suppliers and Public Officials.

5.2.1.2 The Group recognises the need to provide reasonable and proportionate Hospitality under appropriate circumstances to foster business relationships. As such, Eligible Personnel from the Group may offer appropriate and proportionate Hospitality to third parties as part of business networking as well as a measure of goodwill towards the recipients, in accordance with the Group's policies and procedures.

5.2.1.3 The Eligible Personnel should always bear in mind that this is an area where perception is often regarded as more important than facts. As such, the Eligible Personnel should always exercise proper care and judgement when providing Hospitality to third parties and not to be perceived to be capable of influencing a business decision.

5.2.2 Receiving Hospitality

5.2.2.1 General Rule

Employees and Directors must not accept any invitations for Hospitality from any parties to whom the Group conducts business with, that could influence or be perceived to be capable of influencing business decision of the Employees and Directors.

5.2.2.2 The Group recognises that occasional acceptance of appropriate and proportionate hospitality provided by Business Partners or third parties in the normal course of business is a legitimate way to foster business relationships.

5.2.2.3 It is important for the Employees and Directors to exercise proper care and judgment to ensure that the Hospitality arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit before receiving the Hospitality and is in accordance with the Group's policies and procedures.

5.2.2.4 Employees and Directors must at all times conduct themselves with integrity and not to be perceived to be capable of influencing a business decision.

5.2.3 Where a possible issue relating to Hospitality arises, Employees and Directors should seek advice from the relevant HOD, any members of the Bribery Risk Assessment Sub-Committee or Audit and Risk Management Committee.

5.2.4 *Do's and Don'ts*

Do's	Don'ts
Giving and acceptance of Hospitality must be in accordance with the Group's policies and procedures.	Employees and Directors are not allowed to provide Hospitality that could influence or be perceived to be capable of influencing a business decision.
The Employees and Directors are required to ensure that the Hospitality is provided or received in accordance with the laws of the respective jurisdiction of the sender or recipient.	No Hospitality that would be illegal or in breach of local or foreign bribery laws.
Employees and Directors may provide Hospitality in a personal capacity without the purpose of directly or indirectly gaining any benefits or advantages for the Group.	No Hospitality that is related to some actual or anticipated business with the recipient, particularly in a competitive context.

6. CONFLICT OF INTEREST

6.1 General Rule

- 6.1.1 All Employees and Directors must act in the best interest of the Group.
- 6.1.2 Conflict of interest occurs when an individual's position within the Group or that of the individual's Immediate Family or such other obligation or special interest of an individual, interferes (or would be perceived to interfere) with an individual's ability to act in the best interest of the Group.
- 6.1.3 Conflict of interest does not necessarily involve improper or corrupt behaviour although they can lead to such behaviour.
- 6.1.4 Examples of conflict of interest situations may include, but is not limited to the following:
- (a) Material gain
 - (i) An Employee participates in discussion or decision making or acts in a manner wherein he or she may directly or indirectly benefit himself or herself, or his or her Immediate Family or his or her private interest;
 - (ii) An Employee awards a contract to a company in which he or she has a financial interest or a connection such as a relative or friend; and
 - (iii) An Employee recruits a relative or friend or recruiting individuals in order to secure a business advantage.
 - (b) Outside employment
 - (i) When the Employee's outside employment or association causes or would-be-perceived-to-cause he or she not to act in the best interest of the Group; and
 - (ii) Secondary employment: Part-time employment with or consultancy to another company. Even if this is contractually allowed it can be a significant source of conflict.
 - (c) Other organisations
 - (i) An Employee is asked to become a member of the Board of Directors of any entity or organisation whose mission or mandate is in conflict with the mission or goals of the Group or which is in competition with the Group;
 - (ii) An Employee has plans to take up a position with another organisation and acting in its favour in breach of duty to his existing employer; and
 - (iii) Employees running their own companies or involved in external activities such as political or community organisations.

- (d) Undue influence
 - (i) An Employee uses his or her position to exert undue influence on another Employee of the Group in the execution of that Employee's duties or to exert undue influence on any decision-making process of the Group.
- (e) Bribery
 - (i) An Employee offers or receives a bribe or commission made by external organisation or anyone else dealing with the Group.
- (f) Insider trading
 - (i) Corporate 'insiders' buy or sell their company's stock on the basis of information that is not available publicly.

6.2 Employee's Declaration

- 6.2.1 Employees and Directors are required to make a declaration on conflict of interest to the Group on an annual basis and from time to time, as may be required by the Group, in accordance with the Group's policies and procedures.
 - 6.2.2 Should any of the Employee or Director become aware of any conflict of interest or feel that he or she is, or may be in a conflict of interest situation, the Employee or Director must immediately inform in writing to the relevant department in accordance with the Group's policies and procedures.
 - 6.2.3 The Employee or Director shall also forthwith withdraw or remove himself or herself from the decision-making meeting and process or other situations giving rise to the conflict of interest.
 - 6.2.4 The Employee or Director must not attempt to influence the outcome of the meeting and process whether before, during or after the meeting.
 - 6.2.5 After receiving Employee's declaration, the relevant department must report the same to the Human Resource Department to be recorded in the register of conflicts of interest. The register of conflicts of interest must be maintained and updated from time to time
- 6.3 Please also refer to the Group's policies and procedures for further information and guidance.

7. DEALING WITH BUSINESS PARTNERS AND SUPPLIERS

7.1 General Rule

- 7.1.1 All dealings with prospective or existing Business Partners and Suppliers must be carried out in accordance with the Group's policies and procedures.
- 7.1.2 This would include carrying out an appropriate level of pre-engagement due diligence or evaluation to understand the business and background of the Business Partners and Suppliers before entering into any business arrangements and informing the Business Partners and Suppliers of this ABAC Policy.
- 7.1.3 In addition to all applicable anti-bribery and anti-corruption laws to which it may be subjected to, the Business Partners and Suppliers are required to comply with this ABAC Policy in relation to all dealings by them for, on behalf of or involving the Group. The Business Partners and Suppliers must also refrain and procure their shareholders, directors, officers or affiliates to refrain from taking any action that would result in a violation of any applicable anti-bribery and anti-corruption laws and this ABAC Policy.
- 7.1.4 Employees and Directors must monitor the performance of Business Partners and Suppliers from time to time to be in compliance with this ABAC Policy and where breach or suspected breach arises, immediate action must be taken. Failure to comply with this ABAC Policy by the Business Partners and Suppliers may lead to immediate termination of business relationship.

8. DEALING WITH PUBLIC OFFICIALS

8.1 General Rule

8.1.1 Employees and Directors must be vigilant in dealing with all Public Officials and conduct themselves in accordance with the Group's policies and procedures.

8.1.2 As dealings with Public Officials pose high risk in relation to bribery, there are strict rules and regulations imposed in different countries. Employees must also be aware of local laws governing the Group's business activity to ensure compliance.

8.2 Employees, Directors and their Immediate Family, including agents acting for or on behalf of the Group, Employees, Directors or their Immediate Family are prohibited from directly or indirectly, providing or offering to give any Gifts, authorising the payment of money or anything of value to the Public Officials, to influence any act or decision or to secure any other improper advantage in order to obtain or retain business.

Any Gifts for Public Officials must be in accordance with the Group's policies and procedures.

8.3 Employees and Directors are not allowed to provide Hospitality to Public Officials that could influence or be perceived to be capable of influencing a business decision. Any Hospitality for Public Officials must be in accordance with the Group's policies and procedures.

8.4 Employees and Directors who have any questions regarding whether interactions with Public Officials are appropriate should immediately contact the relevant HOD, any members of the Bribery Risk Assessment Sub-Committee or the Audit and Risk Management Committee for advice.

8.5 Do's and Don'ts

Do's	Don'ts
Adhere to the rules and regulations of the relevant jurisdiction governing conduct with Public Officials regarding the acceptance of Gifts and Hospitality.	Employees, Business Partners, Suppliers and any third parties having business relationship with the Group are not allowed to, directly or indirectly, provide Gifts or Hospitality to Public Officials or their Immediate Family for the purpose to exert improper influence on Public Officials dealing with the Group.
Any Gifts or Hospitality for Public Officials must be in accordance with the Group's policies and procedures.	
All dealings with Public Officials must be carried out in accordance with the Group's policies and procedures.	

9. POLITICAL CONTRIBUTIONS

9.1 General Rule

- 9.1.1 The Group does not make direct or indirect contributions to political parties, organisations or individuals engaged in politics as it may be perceived as a way of obtaining advantage in business transactions.
- 9.1.2 The Group may, in very limited circumstances, make political contributions which has been pre-approved by the Audit and Risk Management Committee. No political contribution may be made unless the Group has received a satisfactory opinion from the qualified local counsel as to its legality under applicable laws.
- 9.1.3 If any political contribution is made, it must be accurately recorded in the books and records of the Group.
- 9.1.4 Political contributions can be made in many forms, such as follows:
- (a) financial donations;
 - (b) secondments to political parties;
 - (c) loans of money at less than market interest rates;
 - (d) discounted fees or rates for products, services or loans;
 - (e) sponsorship of an event or publication;
 - (f) subscriptions or affiliation payments;
 - (g) free or discounted use of facilities or services such as offices, transport, printing, telecommunications, advertising and media coverage; and
 - (h) sponsorship or support for fundraising events, such as a fundraising dinner.

**The above list is not exhaustive.*

- 9.1.5 Employees and Directors may participate in political activities in their individual capacity with their own money and at their own time but to make it clear that their individual political views and actions are personal and not reflective or representative of the Group. The Group will not reimburse any personal political contributions made by Employees and Directors.

9.2 Do's and Don'ts

Do's	Don'ts
Employees and Directors must be aware and educated on with all applicable laws and regulations that may prohibit or restrict companies from getting involved in political activities, make political contributions or engage in lobbying activities.	Employees, Directors, Business Partners, Suppliers or any third parties having business dealing with the Group are not allowed to make a contribution to a political party or candidate on behalf of the Group, or use Group funds for a donation or contribution to a

	political party or individual political campaign.
	Employees and Directors of the Group are prohibited from making personal political donations in their capacity as representatives of the Group.

10. **SPONSORSHIPS AND CHARITABLE DONATIONS**

10.1 Sponsorship

10.1.1 General Rule

Sponsorships are only permitted if there is a clear business case and it is made for specific objectives.

10.1.2 Reasonable steps must be taken in accordance with the Group's policies and procedures to verify that all sponsorships do not constitute illegal payment to a Public Official or any individual or entity in violation of the Group's policies and procedures, including this ABAC Policy.

Steps that may be taken for verification purposes includes conducting due diligence on the recipient organisations pertaining to the public activity and background.

10.1.3 Sponsorships can have a social purpose, such as supporting a sports team, but the bulk of sponsorships are used to promote a company's reputation, brands, products and services.

10.1.4 Each sponsorship must be made in accordance with the Group's policies and procedures.

10.2 Charitable Donations

10.2.1 General Rule

All charitable donations must be made in accordance with the Group's policies and procedures.

10.2.2 Charitable donations refer to a payment or in-kind benefit gifted to a body having charitable or equivalent status and made without expectation of return.

10.2.3 Reasonable steps must also be taken in accordance with the Group's policies and procedures to verify that all charitable donations do not constitute illegal payment to a Public Official or any individual or entity in violation of the Group's policies and procedures including this ABAC Policy.

10.3 Due Diligence

10.3.1 As a charitable donation or sponsorship can be used as subterfuge for bribery, due diligence must be conducted on the recipient organisation to understand the purpose of the request and background of the recipient organisation before providing the contribution or sponsorship.

10.3.2 Examples of "*red flag situations*" when dealing with sponsorships and charitable donations are as follows:

- (a) the proposed recipient /organisation has affiliations with Public Officials or their relatives are involved;
- (b) the contribution is made on behalf of a Public Official;
- (c) there is a risk of a perceived improper advantage for the Group;

- (d) the proposed recipient is based in a high risk country, the request comes from a high risk country or the activity takes place in a high risk country; and
- (e) no clear indication or supporting evidence from the recipient organisation on the utilisation of the funds.

**The above list is not exhaustive.*

10.4 If you are unsure of the authenticity of a request for sponsorship or a donation, you should consult the Finance Department or any members of the Bribery Risk Assessment Sub-Committee or the Audit and Risk Management Committee.

10.5 *Do's and Don'ts*

Do's	Don'ts
Employees must ensure that the proposed recipient is a legitimate organisation and the funding is in compliance with the applicable laws and not made to improperly influence a business outcome or perceived to provide an improper advantage to the Group.	Employees are not allowed to commit to sponsorship or donation to a political party or candidate on behalf of the Group, or use funds of the Group for a donation or contribution to a political party or individual political campaign.
A clear business case and set specific objectives must be established for all sponsorship payments.	Employees are not allowed to donate to charity to win a business deal or tenders on behalf of the Group.
All payments made to the recipient organisations must be monitored to ensure that the funds have been used for their intended purpose and the objectives have been met.	Employees should not commit any funds on behalf of the Group without undergoing the proper processes and procedures to evaluate the legitimacy of the request.
All payments and in-kind contributions or sponsorships must be accurately recorded in the books and records.	
Due diligence must be conducted on the recipient organisation prior to making charitable donations and sponsorships.	

11. **FACILITATION PAYMENTS**

11.1 *General Rule*

Employees, Business Partners and Suppliers are prohibited from making an offer or making a promise to accept or request or obtain, either directly or indirectly, facilitation payments from any person for his or its own benefit or for the benefit of the Group or any other person.

11.2 “Facilitation payments” are payments made to secure or expedite the performance by a person performing a routine or administrative duty or function (e.g., timing of process or issuing of permits, clearing customs, scheduling inspections, etc).

11.3 Facilitation payments are usually made in cash or in-kind (e.g., liquor, cigarettes, etc).

11.4 However, in certain circumstances, facilitation payments need not involve cash or other financial assets. It can be any sort of advantage with the intention to influence them in their duties.

12. **RECORD KEEPING**

12.1 General Rule

- 12.1.1 All financial records of the Group shall be kept and managed appropriately.
- 12.1.2 All expenses and claims relating to Gifts and Hospitality, political contributions, sponsorships and charitable contributions shall be submitted in accordance with the Group's procedures and policies and the reasons shall be appropriately recorded.
- 12.1.3 All accounts, invoices and other records relating to dealing with Business Partners and Suppliers should be prepared and maintained accurately and with completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

13. **BREACHES AND REPORTING**

13.1 General Rule

- 13.1.1 All Directors, Employees, Business Partners and Suppliers shall comply with all applicable laws and the policies and procedures of the Group.
- 13.1.2 Breach of any laws including, but not limited to, the MACC Act, Penal Code and Anti-Money Laundering and Anti-Terrorism Financing Act 2001 could also subject the individual who committed the violation to civil or criminal penalties, including imprisonment or fine or both under the respective acts.
- 13.1.3 Under Section 17A of the MACC Act, the Directors, controller, officer, partner or persons concerned in the management of affairs of the Group may also be subject to criminal penalties, including imprisonment or fine or both if Employees, Business Partners or Suppliers or any third parties associated with the Group (or any one or more of the foregoing) commits bribery or is engaged in corrupt practices.
- 13.1.4 The Group encourages all Directors, Employees, Business Partners and Suppliers to report any corruption concerns immediately.
- 13.1.5 All reporting will be handled sensitively and the Company is committed to ensuring that adequate protections are granted to the Directors, Employees, Business Partners and Suppliers that report a corruption concern in good faith.

13.2 Consequences of a Breach

- 13.2.1 Failure to comply with this ABAC Policy may result in disciplinary actions being taken against such individual.

13.2.2 Employees

Any breach of this ABAC Policy by an Employee may result in the following disciplinary actions being taken against such Employee:

- (a) caution letter;
- (b) written warning;
- (c) compensation deduction or reduction;
- (d) grounding of duties;

- (e) reprimand;
- (f) suspension;
- (g) downgrade or demotion of the Employee; or
- (h) dismissal.

13.2.3 Business Partners and Suppliers

Any breach of this ABAC Policy by a Business Partner or Supplier may result in the following disciplinary actions being taken against such Business Partner or Supplier:

- (a) written warning;
- (b) suspension;
- (c) termination;
- (d) blacklist; or
- (e) claim for damages.

13.2.4 How to Make a Report

Any instance of actual or suspected breach of this ABAC Policy shall be reported directly to the following persons using the procedures as provided for in the Whistle-Blower Policy of the Group:

(a) Chairman of Audit and Risk Management Committee

Attention : Datuk Leong Kam Weng
Address : Messrs. Iza Ng Yeoh & Kit
Suite 13.08, 13th Floor Plaza 138, Jalan
Ampang, 50450 Kuala Lumpur
Email : joryleong@inyk.com

(b) Chief Financial Officer

Attention : Foo Ken Nee
Address : Pecca Group Berhad
No.1, Jalan Perindustrian Desa Aman 1A,
Industri Desa Aman, Kepong, 52200
Kuala Lumpur
Email : kn.foo@peccaleather.com

Detailed procedures of the Whistle-Blower Policy can be obtained at the official website of the Company www.peccaleather.com.

APPENDIX A

Declaration of Compliance

I hereby confirm that I have read and understood the Anti-Corruption and Anti-Bribery Policy of Pecca Group Berhad (“**ABAC Policy**”).

I also understand my responsibility to immediately report any actual or suspected violation of the ABAC Policy.

I acknowledge that any failure by me to comply with the ABAC Policy may result in disciplinary action, up to and including termination of employment, taken against me.

Signature:

Name:

Department:

Date: