

GROMUTUAL

GROMUTUAL BERHAD 200301022614 (625034-X)

Anti-Bribery and Anti-Corruption Policy

1. What does your policy cover?

- 1.1 This anti-bribery policy exists to set out the responsibilities of Gromutual Berhad and its subsidiaries (“Gromutual Group”) and those who work for us in regards to observing and upholding our zero-tolerance position on bribery and corruption.
- 1.2 It also exists to act as a source of information and guidance for those working for Gromutual Group. It helps them recognise and deal with bribery and corruption issues, as well as understand their responsibilities.
- 1.3 Gromutual Group is a commercial organization subject to the law on Corporate Liability as covered under Section 17A, Malaysian Anti-Corruption Commission Act 2009, Malaysian Anti-Corruption Commission (Amendment) Act 2018 (collectively “the MACCA”), and the Companies Act, 2016

2. Policy statement

- 2.1 Gromutual Group is committed to conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery is prevented. Gromutual Group has zero-tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country we operate.
- 2.2 Gromutual Group will constantly uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate. We are bound by the MACCA in regards to our conduct both in Malaysia or abroad.
- 2.3 Gromutual Group recognises that bribery and corruption by a commercial organization or by persons associated with us under the MACCA is punishable by fine not less than ten times the value of the gratification or MYR1.0 million, whichever is higher, imprisonment term not exceeding twenty (20) years, or a combination or both and that the general penalty against any individual convicted for any corruption-related offence under the MACCA is an imprisonment term not exceeding twenty (20) years AND a fine of not less than five times the sum or value of the gratification or RM10,000.00 whichever is higher. If our company is discovered to have taken part in corrupt activities, we may be subjected to the above punishments and face serious damage to our reputation. It is with this in mind that we commit to preventing bribery and corruption in our business, and take our legal responsibilities seriously.

3. Who is covered by the policy?

- 3.1 This anti-bribery policy applies to all Employees (any person who is in the employment of Gromutual Group, whether temporary, fixed-term, or permanent), Officers (any person as defined under Malaysian Companies Act 2016, including but not limited to executive or non-executive directors) and Business Associates.

- 3.2 In the context of this policy, Business Associates refers to any individual or organisation our company meets and works with excluding Third Party (any person or body that is independent of Gromutual Group). It refers to actual and potential customers, suppliers, contractors, consultants, distributors, business partners, agents, advisers and representatives and others performing work or services for or on behalf of Gromutual Group.
- 3.3 Any arrangements our company makes with Business Associates is subject to clear contractual terms, including specific provisions that require Business Associates to comply with minimum standards and procedures relating to anti-bribery and corruption.

4. Definition of bribery and corruption

- 4.1 Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision.
- 4.2 A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage.
- 4.3 Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.
- 4.4 Bribery is illegal. Employees must not engage in any form of bribery, whether it be directly, passively (as described above), or through a Business Associates (such as an agent or distributor). They must not give bribe anywhere in the world. They must not accept bribes in any degree and if they are uncertain about whether something is a bribe or a gift or act of hospitality, they must seek further advice from the company's designated Compliance Team.
- 4.5 Corruption is defined as the giving or receiving of gratification through the misuse of office or power as a means to induce or reward unlawful or improper behavior that seeks to gain or secure an advantage for a person or his associates. Corruption is illegal.

5. What is and what is NOT acceptable

- 5.1 This section of the policy refers to 4 areas:
- Gifts and hospitality.
 - Facilitation payments.
 - Political contributions.
 - Charitable contributions.

5.2 Gifts and hospitality

Gromutual Group accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from Business Associates) so long as the giving or receiving of gifts meets the following requirements:

- a. It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits.
- b. It is not made with the suggestion that a return favour is expected.
- c. It is in compliance with local law.
- d. It is given in the name of the company, not in an individual's name.
- e. It does not include cash or a cash equivalent (*e.g.* a voucher or gift certificate).
- f. It is appropriate for the circumstances (*e.g.* giving small gifts around Chinese New Year or festival).
- g. It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift. It is given/received openly, not secretly.
- i. It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.
- j. It is not above the threshold below for receiving and giving gift or hospitality:-

Job Position	Threshold
Executive Director	Annual limit of RM30,000 (declaration made if exceeding RM1,500 per person per single bill).
Manager and above	RM500 per single bill or transaction or company; OR Annual limit of RM2,000. (no reimbursement if exceeding)
Others	No entitlement

- k. It is not offer to, or accepted from, a government official or representative or politician or political party, without the prior approval of the company's Key Senior Management.
- l. It is not given in conflict of interest situation.

5.3 Where it is inappropriate to decline the offer of a gift (*i.e.* when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as it is declared to the designated Compliance Team, who will assess the circumstances.

5.4 Gromutual Group recognises that the practice of giving and receiving business gifts varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each.

5.5 As good practice, gifts given and received should always be disclosed to the designated Compliance Team. Gifts from suppliers or contractors should always be disclosed via Gift Declaration Form. As for gift or hospitality given shall be reimbursed via Requisition for Payment -Personal Claim Form. The summary of gifts and hospitality offered and received is prepared and report to Key Senior Management, Audit Committee ("AC") and the Board on needs basis, or during scheduled meeting.

5.6 The intention behind a gift being given/received should always be considered. If there is any uncertainty, the advice of the designated Compliance Team should be sought.

5.7 **Facilitation Payments and Kickbacks**

Gromutual Group does not accept and will not make any form of facilitation payments of any nature. We recognise that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. We recognise that they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.

5.8 Gromutual Group does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.

5.9 Gromutual Group recognises that, despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their/their family's personal security at risk. Under these circumstances, the following steps must be taken:

- a. Keep any amount to the minimum.
- b. Ask for a receipt, detailing the amount and reason for the payment.
- c. Create a record concerning the payment.
- d. Report this incident to the designated Compliance Team or follow the guideline as laid out in the Whistle Blowing Policy.

5.10 **Political Contributions**

Gromutual Group will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

5.11 **Charitable Contributions**

Gromutual Group accepts (and indeed encourages) the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise) – and agrees to disclose all charitable contributions it makes.

5.12 Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.

5.13 We will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not offered/made without the approval of the Key Senior Management. The payment shall be made via Requisition of Payment Form together with the supporting documents.

5.14 Appropriate due diligence ie LHDN database check shall be conducted on the charitable or not-for-profit organisation for charitable donations, contributions and sponsorship in value more than RM5,000 and should be subjected to approval by the Key Senior Management before donation payment could be made.

5.15 Summary listing of the donations or sponsorship made by Gromutual Group is maintained for review and report to AC and the Board on needs basis, or during scheduled meeting.

6. Compliance with the Policy

- 6.1 As an employee and officer of Gromutual Group, you must ensure that you read, understand, and comply with the information contained within this policy, and with any training (if necessary) or other anti-bribery and corruption information you are given.
- 6.2 All employees, officers and those under our control are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this anti-bribery policy.
- 6.3 If you have reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this policy, you must notify the designated Compliance Team.
- 6.4 If any employee or officer breaches this policy, they will face disciplinary action and could face dismissal for gross misconduct. Gromutual Group has the right to terminate a contractual relationship with an employee or officer if they breach this anti-bribery policy.
- 6.5 Business Associates also has an obligation to act with integrity and to ensure that they understand and comply with this policy in relation to all dealings by them for, or on behalf of or involving Gromutual Group. Non-compliance of this policy by Business Associates will lead to termination of contract and claim for damages.

7. What happens if I need to raise a concern?

7.1 This section of the policy covers 3 areas:

- a. How to raise a concern.
- b. What to do if you are a victim of bribery or corruption.
- c. Protection.

7.2 How to raise a concern

If you suspect that there is an instance of bribery or corrupt activities occurring in relation to Gromutual Group, you are encouraged to raise your concerns at as early a stage as possible. If you're uncertain about whether a certain action or behaviour can be considered bribery or corruption, you should speak to the designated Compliance Team or through email: compliance@gromutual.com.

7.3 Gromutual Group will familiarise all employees with its whistleblowing procedures so employees can vocalise their concerns swiftly and confidentially. The stakeholders other than employees and officers of Gromutual Group should report directly via the Whistleblowing Policy whereby the confidentiality of the whistleblower will be preserved. Please refer to Whistleblowing Policy as published in Gromutual's corporate website.

7.4 What to do if you are a victim of bribery or corruption

You must tell the designated Compliance Team as soon as possible if you are offered a bribe by anyone, if you are asked to make one, if you suspect that you may be bribed or asked to make a bribe in the near future, or if you have reason to believe that you are a victim of another corrupt activity.

7.5 Protection

If you refuse to accept or offer a bribe or you report a concern relating to potential act(s) of bribery or corruption, Gromutual Group understands that you may feel worried about potential repercussions. Gromutual Group will support anyone who raises concerns in good faith under this policy, even if investigation finds that they were mistaken.

7.6 Gromutual Group will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.

7.7 Detrimental treatment refers to dismissal, disciplinary action, treats, or unfavourable treatment in relation to the concern the individual raised.

7.8 If you have reason to believe you've been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform the designated Compliance Team immediately.

8. Bribery and corruption Risk Assessment

8.1 Gromutual Group considers risk assessment to be fundamental to good management practice and a significant factor in preserving the integrity infrastructure to prevent / detect bribery and corruption acts. Gromutual Group shall conduct risk assessments every three (3) years, with intermittent assessments conducted when necessary, to identify the bribery and corruption risks, establish appropriate processes, system and controls to mitigate the specific corruption risks Gromutual Group is exposed to.

9. Conflict of interest

9.1 Conflict of interest arise in situation where there is personal interest that could be considered to have potential interference on the objectivity of the employee and officer in carrying out duties and exercising judgement on behalf of Gromutual Group. All employees and officers must avoid situations in which their personal interest would conflict with their duties and responsibilities. All employees and officers must not use their position, official working hours, Gromutual Group's resources and assets, or information available to them for personal gain or to Gromutual Group's disadvantage.

In a situation where conflict of interest arises, the concerned employee or officer shall report any actual or potential conflict of interest to their Head of Department, the Chief Executive Officer of Gromutual or channel set out in Gromutual Group's Whistle Blowing Policy.

10. Financial and non-financial control

10.1 Gromutual Group adopts segregation of duties for job functions (i.e. financial and non-financial related). Designated personnel for preparing, verifying and approving each transaction / activity is documented in written procedures (i.e. internal standard operating procedures and Approval Matrix) and communicated to employees for compliance.

11. Due Diligence

11.1 Gromutual Group shall conduct due diligence on Employee, Officer and Business Associate where there is significant exposure to bribery and corruption risk. Due diligence methods may include background checks on the person or entity, documentation screening and interview the person or representative of the entity to understand their background to ascertain any indication of implication in present or past unethical or unlawful activities.

12. Training and communication

12.1 Gromutual Group will give awareness on this policy together with Whistleblowing Policy as part of the induction process for all new employees and officers and require formal acceptance (Declaration as per Appendix I). Employees will also receive regular, relevant training on how to adhere to this policy, and will be asked annually to formally accept that they will comply with this policy by 31st January (Declaration as per Appendix I).

12.2 Gromutual Group's anti-bribery and corruption policy and zero-tolerance attitude will be clearly communicated to all Business Associates at the outset of business relations, and as appropriate thereafter (Declaration as per Appendix I).

12.3 Gromutual Group will provide relevant anti-bribery and corruption training to employees etc. where we feel their knowledge of how to comply with the Bribery Act needs to be enhanced. As good practice, all businesses should provide their employees with anti-bribery training where there is a potential risk of facing bribery or corruption during work activities.

13. Record keeping

13.1 Gromutual Group will keep detailed and accurate financial records, and will have appropriate internal controls in place to act as evidence for all payments made. We will declare and keep a written record of the amount and reason for hospitality or gifts accepted and given, and understand that gifts and acts of hospitality are subject to managerial review. All records and documents must be kept by Gromutual Group for seven (7) years or such time as required by the applicable law.

14. Monitoring and reviewing

- 14.1 Gromutual Group's designated Compliance Team is responsible for monitoring the effectiveness of this policy and will review the implementation of it and report to Key Senior Management, AC and the Board on needs basis, or at least once every three (3) years. They will assess its suitability, adequacy, and effectiveness.
- 14.2 Internal control systems and procedures designed to prevent bribery and corruption are subject to regular audits to ensure that they are effective in practice.
- 14.3 Any need for improvements will be applied as soon as possible. Employees are encouraged to offer their feedback on this policy if they have any suggestions for how it may be improved. Feedback of this nature should be addressed to the Human Resources Department.
- 14.4 This policy does not form part of an employee's contract of employment and may amend it at any time so to improve its effectiveness at combatting bribery and corruption.

This policy (Version 2) is revised on 29.11.2021.

**DECLARATION BY EMPLOYEE/ ASSOCIATED PERSON IN RELATION TO
THE ANTI-BRIBERY AND ANTI-CORRUPTION POLICY
OF GROMUTUAL GROUP**

I/We..... (NRIC/Company No.....), hereby declare that I/we have read and understood Gromutual Group’s Anti-Bribery and Anti-Corruption Policy and I/we will abide by the requirements and guidelines set out in the said Policy and fully aware of the consequence of not complying with the said Policy.

I/We do hereby take note that Gromutual Group adopts a zero tolerance approach to bribery and corruption, and has made available a Whistleblowing channel on its website at www.gromutual.com for reporting of any violation of this Policy.

I/We shall declare any conflict of interest, actual potential or perceived, arising in the course of our relationship with Gromutual Group.

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Name:
Company & Company Chop (if any):
Job Position:
Date: