

Name of Policy	Integrity Policy
Company	SKP Resources Berhad
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PURPOSE

This Policy and Procedure serves to describe the Integrity Policy to be implement and provide guidance to employees in SKP Resources Berhad and its subsidiary (hereafter referred to as the Company) on how to cope with improper solicitation, bribery, and other corruption operations or activities and issues that may occur in the course of business.

OBJECTIVES

The purpose of this policy to develop a Company's culture that is free of gratification. It is envisage that with such a work environment would create a more efficient business climate that will result in higher growth. As such, the policy is envisaged to manage the following aspect:

- i) Ensure all employees (in particular) are well informed of this policy;
- ii) Upholding anti-bribery culture when dealing with external parties;
- iii) A mechanism is present to provide continuous education on this policy;
- iv) Continuous identification of areas that are prone to gratification and develop and monitor the effectiveness of the internal control system;
- v) A resource centre for the depository of knowledge and enquiry;
- vi) Present an independent body to monitor the compliance of the Integrity Policy by the organisation;
and
- vii) Punitive/ disciplinary action for non-compliance.

As the MACC is the prime driver, MACC promotes the T.R.U.S.T Principles. Our policy is design to align with this principle.

There are 5 pointers in the T.R.U.S.T Principles

- i) Top Level Commitment: All upper level management should embrace the integrity policy and cascade the culture of good ethical behaviour to other levels of employees.
- ii) Risk Assessment: Risk Assessment is an iterative method to be carried out once a year. Any organisation that develops a risk portfolio, it must be managed or monitored and maintained up-to-date.
- iii) Undertake Control Measure: The control measures are policies, procedures and reporting channels for the organisation's representatives. It should cover areas where the organisation's representatives and any third parties or Public Official operates Special attention should be given to areas involving gifts, donations, sponsorship, gratification, financial controls and etc.
- iv) System Review, Monitoring and Enforcement: Competent Officers of Management and Compliance to ensure compliance with policies and codes.
- v) Training and Communication: Annual training and refresher courses on adherence and importance of the Integrity Policy should be provided to all the organisation's representatives. The third parties associated with the organisation must be aware of these principles and what the organisation stands for.

DEFINITION

- i) An offence is committed when a person or person associated with commercial organisation corruptly "gives, agrees to give, promises or offers to any person" gratification that benefit to that person or another person with intent to "obtain or retain business for commercial organisation" or "to obtain or retain advantage in conduct of business for commercial organisation"
- ii) Commercial organisation defined as:
- iii) A company incorporated under Companies Act 2016 & carries on business in Malaysia or elsewhere

- iv) A company whenever incorporated & carries on business or part of a business in Malaysia
- v) A partnership (limited as well as unlimited, including foreign partnerships doing business in Malaysia)
- vi) A person to be associated with a commercial organisation if a person who performs services for or on behalf of commercial organisation (which shall be determined by reference to all relevant circumstances & not merely by reference to nature of relationship between the person & commercial organisation)
- vii) Gratification or gift may come under money, donation, gift, loan, fee, reward, valuable security, property or interest in property of any description whether movable or immovable, finance benefit, or any other similar advantage. (MACC Act 2009).
- viii) Donation is something of value such as money or goods that is given to help a person or organisation.
- ix) Sponsorship is money that is given, usually by a company, to support a person, organisation or activity.
- x) Public Officials are those who are candidates for public office, officials of any political party, official of state-owned enterprises.
- xi) A representative of the organisation is an individual or group if they are a director, partner, employee or person who performs services for or on behalf of the commercial organisation.

CONTEXT OF THE ORGANISATION

SKP Resources Berhad (“SKP” or “the Company”) principle activities are the provision of management services and investment holding. The Company has adopted zero tolerance policy against any and all forms of bribery and corruption. This Integrity Policy will serve to enhance, detail and elaborate on matters dealing with anti-bribery and anti-corruption principles.

POLICY APPROVAL AND FREQUENCY OF REVIEW

This Integrity Policy shall be proved by the Board of Directors. In addition, it shall be reviewed on a yearly basis.

INTEGRITY POLICY GUIDELINES

1) *Code Of Conduct & Business Ethic*

All employees, staff, and person associated that act behalf of SKP must comply with Code of Conduct and Business Ethics to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur.

Details of the Code of Conduct of Directors and Senior Management team are available on the ‘Code of Conduct Policy’. The policy is on the company’s official website.

2) *Disciplinary Policy*

Any employee in the Group that failed to comply with applicable laws and regulations is subject to disciplinary action that can/may result in dismissal or termination of employment. Details of the disciplinary action are available in the company’s handbook. As such, each and every employee is solely responsible for their action for breaching law and regulations.

3) No Gift Policy

The Company adopted “No Gift Policy” that applies to all representatives of the organisation. Representatives of organisation are prohibited from, directly or indirectly, giving or receiving gifts to avoid conflict of interest or the appearance of conflict of interest. Representatives of the organisation are required to follow this policy to avoid any conflict of interest for either party on-going or potential business dealings between the Company and external parties.

a) Receiving Gifts

The general practice is to refuse or return gifts which do not fall into the exceptions, unless the refusing the gift will affect the business relationship between the Company and third party. In such circumstances, the Company representatives need to report immediately (or the next practical working day) the gift to Human Resources Department and Head of Department. All known parties shall acknowledge the gift in a log book. Any gift will be permitted in the following conditions, subject to approval by Top Management for gifts that are:

- Limited, customary and lawful
- Not perceived to have any effect or favour on decision
- Not influence any independent business judgement
- Giving in an open and transparent manner

b) Providing Gifts

Employees and directors are not allowed to provide gifts to third parties unless performed in the full view of the public or any other officers identified in the gift and entertainment policy of the Company. All gifts should have the company’s logo to signify that it is a company’s gesture.

c) Exceptions

- Gift exchanged between companies as part of an official company visit;
- Gifts from company to external institutions or individuals in relation to the company’s official functions or events;
- Gifts from the organisation to their own employees and directors and/or their family members in relation to an internal or externally recognised company functions or events;
- Token gifts bearing the Group logo that given equally to members of the public attending events;
- Gifts (e.g. monetary) to external parties who has no business dealings with the Company (e.g. charitable organisation)

4) Charitable Contributions/Sponsorship/Donation Policy

The Company aims do its part on being a responsible corporate citizen by contributing to the well-being of the people and countries. It is important that all contributions, sponsorships and donations are made in accordance with Integrity Policy.

i) Charitable Contributions

- a) All charitable contributions need be carefully examined for its legality and not appropriately influence to the organisation’s business.
- b) The recipient must be approved charitable by government and due diligence need to be conducted whether any Public Official or 3rd party is directly or indirectly involved with the organisation.

ii) Sponsorship and Donations

It is important to the Company that they are involved in contributing to the community in a meaningful and positive manner, whether by providing sponsorships or donations. However, all the sponsorship and donations intentions made must not related to bribery. This is prohibited by the company policy itself.

- a) All Charitable Contributions and Donations made to/accepted from external institutions should be evaluated by any Executive Director.
- b) The legality and position of the external institution should be a deciding factor in approving the Charitable Contributions or Donations. This should not inappropriately be tied to undue business activities
- c) All sponsorship and donation must be accordance to:
 - Obtain all the information for the charities body
 - Estimate the contributions that applicable laws
 - Prepared complete paperwork on donation/sponsorship
 - Obtain all approval from related authority and accordance with the limits of authority
 - Established entitles for appropriate structure to proper administration of the funds
 - Accurately record in company's accounting books and records
 - Must not be related to bribery or undue payments

The charitable contribution/sponsorship/donations should not be made if the following criteria are as follows:

- The propose recipient/organisation has active connection with Public Officials or their relatives.
- The contribution is made on behalf of Public Official
- There is possibility of improper advantage for the Company

The above list may not a complete. The Company representatives should exercise their good judgement and common sense in assessing the requests. When in doubt, employees should seek further advice from the Head of Human Resources.

5) Facilitation Payments

Facilitation Payment is a payment made to make an administrative process, duty or function that is not acceptable or against to the existing law.

- i) Any of the Company's representatives are absolutely prohibited from making facilitation payments that is against the law or can be cited as bribery.
- ii) Any of the Company's representatives is prohibited to accept a facilitation payment, unless it is described as a part of formal operating procedure. If under this paradigm, the Company's representative is offered a facilitation payment, this should be reported to HoD and HR.

6) Corporate Hospitality/Entertainment Expenses

- i) Providing Hospitality

Eligible representatives are allowed to provide reasonable form of hospitality and entertainment for company networking purpose and/or a measure of goodwill to the recipient.

However, all examples of billed corporate hospitality and entertainment must follow the following principles:

- a) The Entertainment Expense should be properly justified, recorded and written approval is obtained.
 - b) The Expense and Corporate Hospitality measures should not be too excessive inviting speculation improper intentions.
 - c) The Expense and Corporate Hospitality measures should not be carried out with the intention to gain improper advantage from receiver.
 - d) Only eligible employees (as approved by HR) will be allowed to have an entertainment expense or allowed to provide corporate hospitality.
- ii) Receiving Hospitality
- a) All employees must practise the utmost case in accepting reasonable level of entertainment that is legal and must not bring harm to the reputation of the Company.
 - b) All representatives of the Company must not accept any form of hospitality that is illegal, inappropriate, and excessive or has ulterior motivation on part of the provider.
 - c) The Company's representatives need to refer to HR or HoD before accepting offers of entertainment or corporate hospitality.

7) Conflicts of Interests

All conflicts of interest (potential or real) and matters should be registered to Human Resource Department.

Conflicts of Interest are, but not limited to, the following:

- i) Employees engaging in personal business activity that have the same model of business as the Company.
- ii) Any additional employments that an employee can have.
- iii) Any Director of the Company will serve as a Director to a competitor or consultant of the Company.
- iv) Any representative of the Company that have a direct or indirect financial investments with the Company's competitors, suppliers or customers.
- v) Investments in an outside business opportunity in which the Company has an interest except for having insignificant stock interest in public listed companies.
- vi) Acceptance of gifts, meals, or entertainment that could appear to affect objectivity and judgement
- vii) Receiving of any discount/bonus/rebate or other benefits from suppliers, customers or service providers for personal use only.
- viii) Personal relation between the Company's group members, or a subordinate and superior that may result in preferential treatment.

8) *Businesses with Public Officials*

Utmost care must be exercised in dealing with public officials as bribery regulations in Malaysia are becoming increasingly stringent. It is prohibited for the Company or any representative to pay for non-business hospitality without the explicit, documented approval from the Head of Department.

In such cases where permission is acquired to provide Public Official with corporate hospitality or entertainment, they must not be excessive or lavish and must be commensurate with the public official's official designation.

If any representative of the Company were offered or accepted any gift, hospitality or expenses from Public Official, the fact must be communicate to HR. In the case that HR rejects, the representatives must return the donation politely and let the provider know the policy of the company.

9) *Employment Process*

Employee recruitment should be based mainly on authorized selection standards to ensure that the most effective and suitable individuals are recruited. This is essential to guarantee that the employee recruitment does not involve any aspect of corruption.

This process requires proper background checks to ensure that the future employee has not been convicted in any bribery or corruption cases. Increasing focused on background evaluations should then be done.

10) *Incident Reporting*

In the case that any the Company's representative or a party concerned finds or suspect another individual subject to this policy has violated or is about to violate this policy or relevant law, whether intentionally or inadvertently, they should immediately file the same, in writing, for their Head of Department or Human Resources Department.