



Anti-Bribery & Corruption Policy



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Abbreviations

BOD	- Board of Directors
CEO	- Chief Executive Officer
CFO	- Chief Financial Officer
ED	- Executive Director
EDC	- Executive Deputy Chairman
MD	- Managing Director
RMC	- Risk Management Committee
RMWC	- Risk Management Working Committee
VB	- Varia Berhad
VB Group / Group	- Varia Berhad and its Subsidiary Companies
WBP	- Whistleblowing Policy

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1. Introduction

This Anti-Bribery & Corruption and Policy (ABCP) is to prevent the occurrence of corruption and bribery practice in relation to the businesses of the Group. VB Group conducts its business in a legal and ethical manner. The Group will ensure its businesses or any transactions do not participate in corruption activity for its advantages or benefits.

2. General

The Group requires all employees including permanent, probationary, contract and temporary staff and Directors of the Group to be committed to act professionally with integrity in their business dealings.

3. Objectives

This policy is set to provide information and guidance to the BOD and employees on the overall position bribery and corruption that might happened on daily operations. For all intents and purposes, the BOD and employees shall ensure compliance with all applicable laws in performing their duties.

4. Responsibility

This policy is applicable to all BOD, Management, and employee (either permanent, contract or temporary) of VB Group. This policy needs to be read and understand clearly by the employee. Disciplinary action will be taken including termination of employment if violation of the policy.

5. Compliance To the Law

The Group comply with all applicable law including the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 or any amendments thereto.

In order to ensure compliance in accordance with amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirement ("Main LR") in relation to Anti-Corruption Act 2009 pursuant to section 9 of the Capital Markets and Services Act 2007, VB Group also comply with new act under section 17A.

6. Definition

Corruption is defined as abuse of position for personal gain or misuse of position to help others to improperly enrich themselves.

Bribery is the most common form of corruption and it can be broadly described as the offering, promising, giving, accepting or soliciting of an advantage as an inducement of any action which is illegal or a breach of trust in order to gain personal or other advantage. It can be in the form of cash and other forms including non-cash gifts, lavish entertainment or hospitality, loans, fees or other reward or benefit.

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7. Anti-Bribery and Corruption

7.1. Gifts, Hospitality and Entertainment

Gifts and entertainment given and received as a reward, inducement or encouragement for preferential treatment or any other advantage, or inappropriate or dishonest conduct are strictly prohibited. Particularly, no gifts, hospitality or entertainment may be given or accepted during a crucial process such as contractual negotiations or tender processes if there are any realistic risks that giving and acceptance of such articles could very well manipulate and influence the outcome of such processes and negotiations.

Gifts or entertainments may only be presented to a third party only in the situation that it is consistent with the customary business practice, and that the gifts or entertainment are humble in value and cannot be interpreted as inducements to trade. Guidance from the Management must be sought if there is any doubt regarding this issue.

7.2. Facilitation Payments (“FP”)

Usually small bribe payments (usually paid to low-level officials) made directly or indirectly to secure or speed up performance of a routine or to avoid bureaucratic delays and red tapes that may slow down certain business dealings.

In any case, employees must never pay, offer, solicit or receive bribes of any forms including facilitation payments, employee immediately notify immediate superior for consultation. For any above cases, the documents need to be shown to the immediate superior and to be kept properly.

7.3. Political Contribution

In respect of political contributions, funds or resources of the Group must not be used to make any direct or indirect political contributions on behalf of the Group without approval from the BOD/EDC/MD/ED/CEO/CFO. Any appearance of making such contributions or expenditure to any political party, candidate or campaign, must also be avoided.

7.4. Donations

Donations in the form of charity may be permissible depending on the circumstance but should be made directly to an official entity and be able to be disclosed publicly when required to.

8. Section 17A

8.1. The Provision

- (1) A **commercial organization** commits an offence if a **person associated** with the commercial organization corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent –
 - a) to obtain or retain **business** for the commercial organization; or
 - b) to obtain or retain an **advantage in the conduct of business** for the commercial organization.



- (2) Any commercial organization who commits an offence under this section shall on conviction be liable to a fine of **not less than ten times the sum or value of the gratification** which is the subject matter of the offence, where such gratification is capable of being valued or is of pecuniary nature, **or one million ringgits, whichever is the higher**, or to **imprisonment for a term not exceeding twenty years** or to both.
- (3) Where an offence is committed by a commercial organization, a person –
- a) who is its director, controller, officer or partner; or
 - b) who is **concerned in the management** of its affairs,
- at the time of the commission of the offence, is **deemed** to have committed that offence unless that person proves that the offence was committed without his consent or connivance and that he exercised **due diligence to prevent the commission** of the offence as he ought to have exercised, having regard to the nature of his function in that capacity and to the circumstances.
- (4) If a commercial organization is charged for the offence referred to in subsection (1), it is a defence for the commercial organization to prove that the commercial organization had in place **adequate procedures** to prevent persons associated with the commercial organization from undertaking such conduct.
- (5) The Minister shall issue guidelines relating to the procedures mentioned in subsection (4).

8.2. Breakdown the Provision

- Offence - **person associated** with a **corporate organisation** corruptly gives/offers **gratification** for the benefit of the corporate organisation
- Director, controller, officer, partner, person concerned in the management is **deemed** to have committed offence
- Defence for director, controller, officer, partner, person concerned in the management – proof that he did not consent to the commission and he had exercised **due diligence to prevent commission**
- Defence for corporate organisation – **adequate procedures** to prevent commission

8.3. Penalty

- Fine of not less than 10 times the sum or value of the gratification or RM 1,000,000.00 whichever is the higher; OR
- Imprisonment for a term not exceeding 20 years; OR
- Both

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9. Business Partners and Their Conduct

- 9.1.** Our personnel must carry out proper due diligence process and comply with all applicable VB standard operating procedures before on-boarding any Business Partners. This include informing them of VB Anti-Bribery & Corruption Policy and with effect from the date of this Policy, all Business Partners must submit an Anti-Bribery & Corruption Declaration.
- 9.2.** Our personnel must monitor our Business Partners' performance from time to time to be in compliance with this Policy, and where breach or suspected breach arises, immediate action must be taken. Failure to comply with this Policy by our Business Partners may lead to immediate termination of contract and claim for damages.
- 9.3.** In addition to all applicable Anti-Bribery & Corruption laws to which it may be subjected to, VB expects our Business Partners to comply with this Policy in relation to all dealings by them for, on behalf of or involving VB. Our Business Partners must also refrain and procure its affiliates to refrain from taking any action that would result in a violation of any applicable Anti-Bribery & Corruption laws and this policy.

10. Record Safekeeping

All record should be in proper filing to be maintained with accuracy and completeness for all payments made to third parties in the ordinary course of business which is prove as evidence that such payments not linked to corrupt and/or unethical manner.

Employees must declare all gifts, hospitality, or entertainment to respective Department for recording into a register which is subject to Internal Audit review. All expenses claim from Employees incurred to third parties should be approved by the Head of Department and specifically recorded the reason for such expenses.

11. Reporting

Employees should report any cases of wrongdoing or a violation of the Policy is encouraged to report using the reporting channels under the Whistleblowing Policy (WBP) available at www.varia.com.my. Employee produce genuine report on the violations or suspected violations will not discriminated against suffer any sort or manner of retaliation. Report will be treated confidentially.

Shall any risk of corruption will be discussed during RMWC and to be tabled at RMC & BOD. The frequency of reporting will be done at least two (2) times a year and more frequent if it deems necessary.

12. Review Of the Policy

The BOD will monitor compliance with the Policy and review the Policy at least once every 3 years to assess their effectiveness and ensure that it continues to remain relevant and appropriate.

The BOD reserves the total rights to all amendments, deletions or augment any terms and conditions or any part of this policy when necessary, including the use of an additional form, should there be a need to develop one.

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