



INTEGRITY AND RISK MANAGEMENT DEPARTMENT (IRMD)

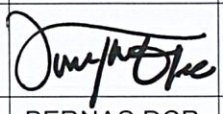
ABMS MANUAL

Appendix Manual 1.3

BERNAS ANTI-BRIBERY AND CORRUPTION POLICY

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1.0 INTRODUCTION

Padiberas Nasional Berhad and its subsidiaries (hereinafter referred to as “**BERNAS**”) is committed to making our company a leading national partner in the paddy and rice industry.

To increase our presence along the entire industry’s supply chain, BERNAS requires a focused, long-term approach and the need to balance risks and rewards while adhering to the highest standards of business ethics and integrity.

This BERNAS Anti-bribery and Corruption Policy (hereinafter referred to as the “**ABC Policy**”) elaborates upon those principles, providing guidance to personnel concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the business affairs.

BERNAS personnel’s compliance with and support for this ABC Policy is vital to BERNAS’s continued success. Failure of compliance to this policy may have severe consequences for BERNAS and may result in disciplinary action against BERNAS personnel.

2.0 BERNAS ANTI-BRIBERY AND CORRUPTION COMMITMENT

BERNAS is committed to conducting business dealings with ethics and integrity. This means avoiding practices of bribery and corruption of all forms in BERNAS daily operations.

BERNAS takes a strong stance against all acts of bribery and corruption. This means you must not pay or offer a bribe or kickback of any kind, including to Government Officials (“**Officials**”), or employees of government-owned or controlled companies, or in commercial transactions. You also may not solicit or accept a bribe or kickback.

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This policy also applies to payments that our business associates such as our suppliers, partners, and consultants make on our behalf. Do not deal with unethical business associates and report any suspicions you might have that a representative is taking an action that would be prohibited by BERNAS policies.

BERNAS has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. BERNAS personnel will NOT suffer discrimination or disciplinary action for refusing to participate in any activity which is reasonably judged there to be involved in bribery and corruption but NOT mitigated by BERNAS.

This ABC Policy leverages on the principles set out in the BERNAS Employee Handbook. Full compliance to both the Employee Handbook and this ABC Policy is mandatory.

3.0 OBJECTIVE

This document describes BERNAS policy prohibiting bribery and other improper payments in the conduct of BERNAS business operations and employee responsibilities for ensuring implementation of the Policy.

This policy sets out the key principles and guidelines in relation to improper solicitation, corruption and other corrupt activities and issues that may arise in the conduct of business dealings and relationships.

This ABC Policy is in compliance with the requirements pursuant to the Malaysian Anti-Corruption Commission (“**MACC**”) Act 2009 and any other relevant laws and regulations.

The policy has also been set up to be in line with BERNAS Anti-Corruption Compliance Programme.

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4.0 SCOPE

This BERNAS ABC Policy applies to:

a) All BERNAS personnel

- This BERNAS ABC Policy applies to BERNAS Board of Directors (Executive and Non-Executive), top management and its employees (permanent and on contract), regardless of their roles or positions (hereinafter referred to as “Personnel”).
- All Personnel must comply with the BERNAS ABC Policy, procedures and all applicable laws during employment with BERNAS.
- Heads of Divisions, Departments and Units are responsible to communicate with subordinates and ensure their compliance to this ABC Policy within their respective business functions / units.

b) BERNAS’s Business Associates

- This ABC Policy form a guideline on the treatment to be applied to BERNAS business associates, which includes joint venture & consortium partners, vendors, contractors, sub-contractors, consultants, agents, representatives, tenants and other intermediaries who are performing of works or services, for and on-behalf of BERNAS.
- All Personnel, regardless of their positions or roles, are responsible to communicate this BERNAS ABC Policy to their business associates.
- All BERNAS business associates are expected to adhere to Business Partners Code of Conduct (“**BPCC**”) when conducting business with or on behalf of BERNAS, and its subsidiaries.

c) Organisations which BERNAS has controlling interest

- This policy is applicable to organizations of which BERNAS having the controlled interest.

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- BERNAS to ensure all subsidiaries implement policies and Adequate Procedures which are the same, or similar to those of BERNAS.

d) All parties engaging with BERNAS

- This BERNAS ABC Policy applies to all parties that are currently engaged with BERNAS or have intentions to engage with BERNAS in the future.
- BERNAS will use its best endeavor and in good faith to require parties to understand and implement policies and procedures similar to those of BERNAS.

5.0 REFERENCES

- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (Act 613)
- BERNAS Executive Handbook
- Companies Act 2016 (Act 777)
- Guidelines on Adequate Procedures/ National Centre for Governance, Integrity and Anti-Corruption (“**GIACC**”)
- Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)
- MS ISO 37001:2016 – Anti-Bribery Management Systems
- Malaysian Penal Code (revised 1977)
- Personal Data Protection Act 2010 (Act 709)
- Whistleblower Protection Act 2010 (Act 711)

6.0 DEFINITIONS

The following definitions are included in this BERNAS ABC Policy

Term	Definition
ABMS	Anti-bribery Management System
BERNAS ABC Policy	BERNAS Anti-bribery and Corruption Policy



Term	Definition
Bribery	Bribery is defined as any action, which would be considered as an offence of giving or receiving ‘gratification’ under MACC Act. In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person in position of trust within an organisation. ‘Gratification’ is defined in the MACC Act to mean the following: (a) <i>money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;</i> (b) <i>any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</i> (c) <i>any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</i> (d) <i>any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</i> (e) <i>any forbearance to demand any money or money’s worth or valuable thing;</i> (f) <i>any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and</i> (g) <i>any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</i> Bribery may be ‘outbound’, where someone acting on behalf of BERNAS attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be ‘inbound’, where an external party is attempting to influence someone within BERNAS such as a decision-maker or someone with access to confidential information. Bribery and corruption are closely related. However, corruption has a wider remit. See ‘Corruption’ definition below.



Term	Definition
Business Associate	An external party with whom the organisation has, or plans to establish, some form of business relationship. This primarily include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors (<i>ISO 37001 definition</i>).
Close associate of politically exposed person (PEP)	Refers to any individual closely connected to a politically exposed person (PEP), either socially or professionally.
Conflicts of Interest	Situations where business, financial, family, political or personal interests could interfere with the judgment of persons in carrying out their duties for the organization.
Controlled Organisation	An entity where BERNAS has more than 50% of the share ownership and has management control.
Corruption	The Transparency International definition of corruption is ‘the abuse of entrusted power for personal gain.’ For the purpose of this policy, corruption is defined primarily as any action, which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACC) (‘Bribery’ as defined above). In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.
Corporate Gift	Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the company’s brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the company name and logo and are of nominal value. Examples of corporate gifts include but not limited to items such as diaries, table calendars, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates.
Commemorative Gift	Gifts which are made to memorialize event(s). Examples of commemorative gifts shall include but not limited to gifts given to visiting dignitaries or retiring Directors or Top Management or long serving employees.



Term	Definition
Donation & CSR	Charitable contributions made to support the community.
Directors	Directors include all independent and non-independent directors, executive and non-executive directors of BERNAS and shall also include alternate or substitute directors.
Exposed Position	Exposed positions are positions delegated with management authorities (MDA) for approving budgets, appointment, procurement, expenditure and payments, and having interface with third parties such as business associates and public officials, and position identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited, to any role involving procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the company has identified as vulnerable to bribery.
Family members of Politically Exposed Persons (PEPs)	Refers to individuals who are related to a PEP either directly (consanguinity) or through marriage.
Gratification	As defined in the Malaysian Anti-Corruption Commission Act 2009 which includes but is not limited to anything of monetary and non-monetary value or benefit to the person. Gratification does not have to be directly given or received by an employee, but it can also be given or received by anyone related to the employee that is beneficial, of value or advantageous to the employee.
Gifts	Can be in the form of goods or services, including anything that can be of value given or received between persons.
GHRD	Group Human Resource Division or any department responsible for managing resources related to employees.
Hospitality	Means considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as Company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included.
Integrity Officer	The person that heads the integrity function at BERNAS or named or identified as Integrity Officer by the Top Management.



Term	Definition
IRMD	The functional unit that is primarily responsible to overseeing the implementation of Anti-Bribery Management System in BERNAS.
LOA	Limit of Authority.
MDA	Management Delegated Authority.
Personnel or Employees	Directors and all individuals directly contracted to the company on an employment basis, including permanent and temporary employees.
Personal Gift	Means something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties. Personal gifts may include cash, cash equivalents such as credit cards, bitcoin or saving accounts, electronic items, watches, luxury pens, property, vehicles, free fares, shares, interest free loans, lottery tickets, travel facilities, entertainment, services, club memberships, any forms of discount or commission, jewelries, decorations, souvenirs, vouchers or any other valuable items.
Politically Exposed Persons (PEPs)	As defined by Bank Negara Malaysia, a PEP is an individual who holds prominent public functions in a government body or international organisation, either in Malaysia or a foreign country. The family members and/or close associates of these individuals are also considered PEPs. a. Foreign PEPs - individuals who are or who have been entrusted with prominent public functions by a foreign country. For example, Heads of State or Government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations and important political party officials b. Domestic PEPs - individuals who are or have been entrusted domestically with prominent public functions. For example, Heads of State or Government, senior politicians, senior government (includes federal, state and local government), judicial or military officials, senior executives of state-owned corporations and important political party officials c. Persons who are or have been entrusted with a prominent function by an international organisation which refers to members of senior management. For example, directors, deputy directors and members of the Board or equivalent functions.

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Term	Definition
Public officials or Government officials	Are defined as any person who is a member, an officer, an employee or a servant of a public body. This includes candidates for public office, officials of any political party, and officials of government or state-owned enterprises. A public body includes the federal government, state government, local authorities, and their departments, services and undertakings. Also included are companies or subsidiaries over which a public body has controlling power or interest, and various registered societies and trade unions.
Talian Etika	A channel to disclose or raise concerns on bribery, unethical behavior, malpractice, illegal act or failure to comply with BERNAS's ABC Policy.
Top Management	A person who directs and controls the organisation at the highest level such as Managing Director, Chief Executive Officer or any other highest Executive position in the company.

7.0 ANTI-BRIBERY AND CORRUPTION POLICY

- 7.1 All forms of bribery and corruption are prohibited. BERNAS upholds a zero-tolerance approach. In addition to bribery, personnel must NOT participate in any corrupt activities, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.
- 7.2 This ABC Policy is applicable worldwide, without exception and without regard to regional customs, local practices or competitive conditions.

8.0 RECOGNITION OF LOCAL AND INTERNATIONAL LEGISLATION

- 8.1 BERNAS is committed to conducting its business in an ethical manner and compliance with all applicable laws and regulations in the countries where it operates.
- 8.2 These applicable laws and regulations include but are not limited to the Malaysian Penal Code (revised 1977) (and its amendments), the Malaysian



Anti-Corruption Commission Act 2009 and its amendments, the Companies Act 2016. These laws prohibit bribery and acts of corruption. Organisations are mandated to establish and maintain accurate books and records as well as adequate measures to prevent corrupt practices.

In light of Corporate Liability S17A, compliance to the Guidelines on Adequate Procedures-Pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 as well as other best-in-practice anti-bribery guidelines such as MS ISO 37001:2016 Anti Bribery Management System (“**ABMS**”) have been considered.

- 8.3 In cases of conflict mandatory law and the principles contained in this policy and any other policies, the law shall prevail.

9.0 ANTI-BRIBERY AND CORRUPTION COMMITMENT

9.1 Principle

BERNAS is committed to the highest standards of integrity and have zero-tolerance approach to bribery and corruption.

9.2 Categories of Corruption

Corruption generally occurs in two forms: ‘inbound’ and ‘outbound’.

Corruption may be ‘inbound’, where an external party is attempting to influence someone within the Company such as a senior decision-maker or someone with access to confidential information. For example:

- a. BERNAS personnel accepting bribe from vendors, rice suppliers and or contractors to facilitate the procurement process. This includes:
 - to influence procurement decision including qualification in the tender process and appointment of contracts;
 - to leak material proprietary information;



- to expedite the payment process;
 - to adjust delivery schedule;
 - to manipulate reporting (quality);
 - to approve performance evaluation;
 - to cover up non-compliance or non-performance on services;
and
 - to ensure that service provider's performance is evaluated favorably.
- b. BERNAS personnel accepting bribe to leak confidential & strategic information (such as rice price, distribution channels, market analysis data or sales volume information) to external third parties.
- c. BERNAS personnel accepting bribe from scheme receivers to continue be qualified to received subsidy.

Corruption may also be 'outbound', where personnel and or someone acting on behalf of the Company attempts to influence the actions of someone external, such as a government official or client decision-maker. For example:

- a. Government officials or agencies solicit bribe through sponsorships, donations, and or Corporate Social Responsibility (CSR)[S17A] for:
- Permit and or license approval;
 - To cover up non-compliance; and
 - Sustaining the concession agreement and/ or meeting government KPIs.
- b. BERNAS personnel offer bribe to government officials for new business or special ventures [S17A].



- c. BERNAS personnel offer bribe to rice suppliers to get access to rice supply when there is shortage or crisis [S17A].
- d. BERNAS personnel offer bribe to government officials, statutory bodies, local authorities, regulators or auditors to expedite approvals, avoid and reduce fines and penalties on non-conformance, cover up non-compliance issues, cover up specific audit findings. An additional example may include gratification given to court officials to obtain favorable judgements [S17A].
- e. Personnel and/ or third parties working for BERNAS subsidiary companies involved in corrupt practices and decisions of giving or offering bribe [S17A].
- f. Joint Venture partners, contractors, third party consultants, lawyers, contractors, sub-contractor, strategic partners offer bribe to government officials, state government, and local authorities to expedite approvals, avoid or reduce fine and penalties, expedited development or project approvals and policy matters or obtain favorable courts judgements in favor of BERNAS [S17A].

Corruption includes false claims and abuse of office or position for gratification. Examples include:

- a. False claims –Business associates (vendors, consultants, contractors) submitting false claims and invoices for:
 - incomplete jobs, progressive payments, sub-standard quality products;
 - payment of non-existent work; and
 - progressive payments substandard quality and quantity.
- b. Abuse of position for gratification by BERNAS personnel:
 - by awarding contract to favoured third parties, vendors or friends



which may pose a conflict of interest and lead to scope of work and deliverables being compromised;

- to approve false claims;
- to falsify or alter reports (operational report, ESH report, retirement report);
- to manipulate report or information to favour decision to vendors or consultant's advantage;
- by levelling procurement processes to speed up approvals during the bidding or awarding process; and
- by providing insider information or strategic information to third parties for a competitive advantage. Examples include leakage of strategic information relating to new ventures and confidential tender information to preferred vendors.

There are four (4) main offences, amongst others, as stipulated in the MACC Act 2009 (Amendment 2018):

- a. Solicitation/receiving bribe (Section 16(a) and 17(a));
- b. Offering/giving bribe (Section 16(b), 17(b), 17A);
- c. Intending to deceive the principal (false claim) (Section 18); and
- d. Using office or position for gratification (abuse of office/position) by an official of a public body including GLCs (Section 23).

MACC Act Section 17A triggers Corporate Liability

S17 A states that a commercial organisation commits an offence if a person associated with it corruptly gives, offers or promises any gratification (bribe) to any person with an intent to **obtain or retain business or business advantage** for the commercial organisation.



Corporate Liability also includes Secondary liability for Directors:

- a. If an offence is committed by a commercial organisation, then:
- b. Directors, controllers, officers, or partners; OR
- c. Any person who is concerned with the management of its affairs.
- d. Is deemed to have committed the offence unless they prove:
- e. Offence was committed without his consent or connivance; **AND**
- f. He/ She exercised due diligence to prevent the commission of the offence, taking into account the nature of his function in that capacity and to the circumstances.

Note: “any person concerned with the management of its affairs” is a broadly defined category intended to capture those who are de facto in charge of the commercial organisation.

Where found guilty, Section 17A imposes a heavy penalty of:

- a. A fine not less than 10 times the value of the bribe or RM 1 million, whichever is higher;
- b. Imprisonment of term not exceeding 20 years; or
- c. A combination of both.

The Defence for the Commercial Organisation is proof of **Adequate Procedures** in place to prevent persons associated with the commercial organisation from undertaking such conduct.

Duty to Report Bribery Transactions

The MACC Act stipulates that reporting of bribery transactions is important albeit whatever the involvement of the person is. Reporting of corruption offences to MACC and other relevant enforcement agencies are important and support Adequate Procedures. The following are represented in the Section 25 of the MACC Act:

- a. Any person to whom any gratification is given, promised, or offered, in contravention of any provision of this Act shall report such gift,



promise or offer together with the name, if known, of the person who gave, promised or offered such gratification to him to the nearest officer of the Commission or police officer.

- b. Any person who fails to comply with subsection (1) commits an offence and shall on conviction be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding ten years or to both.
- c. Any person from whom any gratification has been solicited or obtained, or an attempt has been made to obtain such gratification, in contravention of any provision of this Act shall at the earliest opportunity thereafter report such soliciting or obtaining of, or attempt to obtain, the gratification together with the full and true description and if known, the name of the person who solicited, or obtained, or attempted to obtain, the gratification from him to the nearest officer of the Commission or police officer.
- d. Any person who fails, without reasonable excuse, to comply with subsection (3) commits an offence and shall on conviction be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

9.3 **Commitment to Anti-Bribery and Corruption**

Bribery and Corruption is Prohibited

9.3.1 Third Parties and Representatives

Our Third Parties and Representatives (such as vendors, contractors, partners, consultants, and suppliers) help us earn and maintain the trust of our customers and the public. You must only deal with representatives that you believe are legitimate businesses and that have a reputation for integrity. Do not ignore signs that a representative is unethical or could be paying a bribe. Prior to pursuing business with any representative, review and



comply with the Anti-Bribery and Corruption Guidelines, Business Partners Code of Conduct, ABMS SOP 10 – Dealing with Third Parties Procedure and ABMS SOP 17 – Non-Rice Procurement Procedure.

9.3.2 Transactions Must Be Transparent

Transactions that are transparent reduce the risk of a bribe or kickback. Make sure that contracts accurately reflect economics of the agreement. Unusual arrangements such as side agreements, prepayments and rushed payments may be used to cover up improper payments. If the payment terms are questionable, ask why. Transactions must comply with the limits of MDA and Group Finance Policy and Procedure.

9.3.3 Gifts, Hospitality & Entertainment Must Be Reasonable

- a. Personnel are prohibited from soliciting or asking for gifts, hospitality and entertainment from business associates or other parties engaged in business with BERNAS.
 - b. Under no circumstances may BERNAS personnel or their family members accept gifts in the form of cash, gift certificates, loan repayment, commissions, coupons, discounts, digital e-wallet, holiday package or any others from business associates or any other parties engaged in business with BERNAS.
 - c. Gifts, Hospitality and Entertainment may be perceived as corruption. The elements of corruption may exist in the forms of gifts, hospitality and entertainment as follows:
 - **Quantum:** for example, a bribe is a bribe no matter the quantum;
-



- **Frequency:** for example, small gifts repeated over time accumulate over to a large amount;
- **Timing:** for example, during or after a tender exercise;
- **Reasonableness:** for example, taking in account location, sector, seniority of the giver or receiver;
- **Identity of the recipient:** for example, contributions being made to those in the position to influence power, award contracts, approve permits. Similarly, identities of bank accounts of the recipients;
- **Reciprocity:** for example, no one in the organisation can receive gifts and entertainment greater than the value they are permitted to give, receiving limits;
- **Non- declaration:** Giver and receiver benefited from each other arising from private arrangement; and
- **Legal and regulatory environment:** for example, need to consider the locations and organisations that may have prohibitions or controls in place.

- d. Prior to giving and accepting gifts, hospitality, entertainment or travel, you must exercise care to ensure that there is not an act of bribes, kickbacks, to obtain or retain business or business advantage.
- e. Review and comply with the ABC Guideline and ABMS SOP 13 – Managing Gift, Hospitality & Entertainment before you offer gifts, hospitality, or travel.

9.3.4 Charitable Donations, Sponsorships & Corporate Social Responsibilities Must Not Benefit Government Officials/Agencies

- a. BERNAS is committed to charitable donations, sponsorships (“**D&S**”) and Corporate Social Responsibilities (“**CSR**”) for the



well-being of the society and community. The Company prohibits the giving and receiving of D&S and CSR to influence business decisions.

- b. Do not make a charitable D&S and CSR if it confers a personal benefit on an official or if the donation is part of an exchange of favors with the official.
- c. It is however important that all charitable donations, sponsorships and CSR are made in accordance with BERNAS policies, permitted by the laws and regulations, given without the intention of influencing someone to act improperly or as a reward for having acted improperly.
- d. All requests and proposals for charitable donations, sponsorships and CSR need to be channel to Upstream and Concession Management Division (“**UCMD**”) and approved by the relevant appropriate approving authorities in accordance to the limits of MDA/LOA.
- e. It is BERNAS’ policy to prohibit personnel from requesting vendors for charitable donations, sponsorships and CSR to individual, their friends or relatives.
- f. Prior to pursuing with charitable donation, review and comply with the ABMS SOP 14 – Charitable Donations, Sponsorships & Corporate Social Responsibilities Procedure.

9.3.5 Political Contributions

- a. UCMD shall attend the request made by the political parties, politicians or candidates for parliamentary or state seats in election provided that such provision is within the limits permissible by the laws and regulations, without the intention



of influencing someone to act improperly or as a reward for having acted improperly.

- b. BERNAS personnel are prohibited from using their position in BERNAS to influence any business associates in making political contributions or giving support to politicians and parties.
- c. BERNAS also prohibits the use of its facilities, equipment, or other assets for political purposes without consent and to the extent prohibited by applicable law.
- d. BERNAS personnel who wish to accept an appointment to public office or file as a candidate for election must first obtain approval from BERNAS to avoid any conflict of interest.
- e. Prior to pursuing with political contributions, review and comply with ABC Guideline and ABMS SOP 15 – Dealing with Political Contributions Procedure.

9.3.6 Dealing with Politically Exposed Persons (PEPs)

- a. In conducting business transactions, BERNAS is exposed to third parties that may pose different level of bribery/ corruption risks.
- b. When a third party is identified, BERNAS shall assess the level of bribery/ corruption risk posed by the PEPs.
- c. Due diligence shall be performed to assess the risk in accordance to ABMS SOP 15 – Dealing with Political Contribution.

9.3.7 Money Laundering

- a. BERNAS prohibits practices related to money laundering,

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including dealing in the proceeds of criminal activities.

- b. Money laundering involves the placement of illegally obtained money into legitimate financial systems in order that monetary proceeds derived from criminal activities are transformed into funds with an apparently legitimate sources, or when legitimate funds are used to support criminal activities, including financing terrorism.
- c. To avoid violating anti-money laundering laws, due diligence can be conducted to business associates or third parties.
- d. BERNAS personnel shall report any irregularities or suspicion transactions to immediate supervisor for further actions or Management or Talian Etika.

9.3.8 Facilitation Payments

- a. Facilitation payments are unofficial payments made to secure or expedite an action by a government official, or other person of authority, such as the issuing permit for importation, transfer of paddy or customs clearance.
- b. BERNAS prohibits their personnel and business associates from making facilitation payments of any kind.
- c. BERNAS personnel who received requests for facilitation payment from local or foreign public official shall report the incident to their line manager, Head of Division and Integrity Officer for seeking an advice.

9.3.9 Support Letters

- a. A “support letter” is a directive or decision from politician, government administration, or highly influential persons, to



influence decision and request for special privileges to be given to an individual or organization for project award and application.

- b. Support letters may also come in other forms, such as text messages, phone calls and e-mails.
- c. BERNAS prohibits external parties from using support letters to influence its decision-making in project award or application.
- d. BERNAS does NOT issue support letters for person, their family and friends, and business associates.
- e. BERNAS personnel who receive support letters should NOT promise the requestor anything, and shall report to their line manager, Head of Division and Integrity Officer for further actions or Talian Etika.

9.3.10 Recruitment, Promotion and Employment

- a. BERNAS values the cultures of ethics and integrity, and directs its attention to the roles of culture in supporting BERNAS's Anti-bribery and Corruption policy.
 - b. BERNAS encourages and supports its personnel to do the right thing. When recruiting new personnel, assessment will be given to the ethical attributes of an individual.
 - c. BERNAS does not offer employment to prospective personnel in return for their having improperly favored the company in a previous role.
 - d. Hiring decisions must not benefit Government Officials. Hiring of an employee through someone suggested by, or related to,
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an official to help BERNAS obtain or keep business, or if the official offers to give a benefit to BERNAS or threatens to act in a way that harms BERNAS, the hiring need to go through BERNAS's existing hiring process. Prior to hiring an official or a candidate suggested by an official, review and compliance to Policy & Procedure on Talent Acquisition & Manpower Planning, Group Human Resource Division (“**GHRD**”) and ABMS SOP 09 – EMPLOYMENT PROCEDURE.

9.3.11 Safekeeping and Organization of Records

- a. BERNAS must keep accurate and reliable records as per any applicable laws and have appropriate internal controls in place to support the decisions (for example, approvals and records of gifts, hospitality, donations and similar benefits given and received). These documents should be available for the purpose of accounts and audit for at least 7 years in accordance to Section 167 Companies Act 2016.
- b. BERNAS personnel must ensure all supporting in relation to gifts, hospitality, donations or expenses incurred for BERNAS are available and submitted for record.
- c. All documents and records relating to dealings with BERNAS's Business Partners should be kept and retained for specified periods. No accounts must be kept "off-book" to facilitate or conceal improper payments.
- d. Review and comply with ABMS SOP 01 Control of Document and ABMS SOP 02 – Control of Record.

10.0 BUSINESS ASSOCIATES & THIRD PARTIES

- 10.1 All business associates acting on behalf of BERNAS are required to comply
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with this ABC Policy, BERNAS's Business Partner Code of Conduct, and rules/regulation in relation to anti-bribery and corruption.

- 10.2 Where organizations of which BERNAS have controlling interest, such as subsidiary, joint venture and consortium, these controlled organisations are required to implement this BERNAS ABC Policy or implement their own anti-bribery and corruption controls.

For organisations where BERNAS do not have the controlling interest, they are encouraged to comply this ABC Policy or implement their own anti-bribery and corruption controls. They have to undergo BERNAS bribery risk assessment and due diligence exercise in order to determine the controls are in place and to mitigate relevant bribery risk when dealing with BERNAS.

- 10.3 Due diligence and risk assessment will be conducted on potential and existing business partners to have a reasonable assurance and confidence of their expectation to refrain from corruption or illegal acts.
- 10.4 Contract terms with business associates will include clauses to enable BERNAS to terminate or discontinue the contractual relationships in the event business associates have been found involved in bribery and corruption.
- 10.5 Periodic review of business associates and third-parties risk assessment and due diligence are conducted to check whether anti-bribery and corruption controls are effective for the existing relationships with BERNAS to continue.

11.0 CONFIDENTIALITY OBLIGATIONS

- 11.1 The business affairs and records of BERNAS, comprise of operations, finance, stakeholder management, sales and marketing, corporate services, strategic business and documents comprise of procedures,
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processes, manufacturing methods, e-mails, letters, reports, specifications, formulae, forms, licenses, agreements or other documents or files are all confidential information belonging to BERNAS.

- 11.2 The information proprietary to BERNAS is strictly private and confidential and shall NOT be utilised, discussed with, divulged to or disclosed to persons inside or outside BERNAS, except for authorised person.
- 11.3 BERNAS personnel shall NOT, either during or after employment with BERNAS, disclose, divulge or utilise without appropriate authorisation any such confidential information. BERNAS personnel must exercise care to take all reasonable steps not to disclose all confidential information.

12.0 FINANCIAL INTEGRITY

- 12.1 BERNAS personnel must safeguard the reliability and accuracy of BERNAS' books, records and financial reporting. BERNAS personnel need:
- a. conceal, alter, destroy or otherwise modify BERNAS records or documents;
 - b. intentionally make a false or misleading entry in a record, report, file or claim (including travel and entertainment expense reports); or
 - c. provide full cooperation to parties authorized to perform audit, inspection, investigation etc.

13.0 RESPONSIBILITIES OF BERNAS PERSONNEL

- 13.1 All BERNAS personnel (including directors and personnel of its controlled organizations) are responsible and accountable for the following:
- a. Acknowledge the applicable requirements under the ABC Policy;
 - Gift, Hospitality and Entertainment
 - Charitable Donation, Sponsorships & Corporate Social



Responsibilities

- Political Contributions
- Money Laundering
- Facilitation Payments
- Support Letters
- Recruitment, Promotion and Employment
- Business Associates & Third Parties
- Conflict of Interest
- Whistleblowing Channel

- b. Promptly record all transactions and payments accurately and in reasonable details;
- c. Stay vigilant to suspicious transactions and report to whistleblowing channel;
- d. Be alert to indications or evidence of possible violation of this policy;
- e. Declare conflicts of interest upon joining the Company, as and when a potential or actual conflict arises, on an annual basis based on calendar year and on a quarterly basis for shareholding disclosure;
- f. Promptly report any attempted, suspected, and actual misconduct and violations through Talian Etika;
- g. Attend anti-bribery and corruption training as required; and
- h. Not misuse position in BERNAS for personal advantage or benefit.

13.2 When dealing with external parties (clients/ government officials/ consultants/ advisors/ bankers) on behalf of BERNAS, BERNAS personnel shall not:

- a. Offer, promise or make any attempt to dishonestly influence a person of external party's decision, by directly or indirectly offer, make or



promise of corrupt payments, in cash or in kind;

- b. Be involved in any discussions regarding business or employment opportunities, for personal benefit or for the person of external party's benefit;
- c. Abuse the decision-making and other delegated authority, to secure an outcome which would be to the commercial advantage to themselves and/or BERNAS; and
- d. Exercise improper influence to obtain personal benefits from external party.

13.3 During an active or anticipated procurement or tender exercise, BERNAS personnel participating, shall not:

- a. Receive gifts, hospitality, entertainment or any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise;
- b. Give anything other than a corporate gift and hospitality to any external/third party related to the exercise;
- c. Be involved in any discussions regarding business or employment opportunities, for personal benefit, or for the person's benefit of business associate;
- d. Abuse the decision-making and other delegated authorities; and
- e. Bypass procurement or tender policy, process and procedure.

13.4 BERNAS's Head of Division and Head of Department are responsible to ensure compliance to the ABC Policy and ABMS Procedure.

14.0 DECLARING CONFLICTS OF INTEREST

14.1 Conflicts of interest situations arise when a person is in a position to derive personal benefit from actions or decisions made in their official capacity as

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well as impair judgement.

- 14.2 To promote an openness and transparency for managing actual, potential, or perceived conflicts of interest, BERNAS personnel need to perform conflict of interest declaration once per calendar year in Laman Integriti.

15.0 STAFF DECLARATIONS

- 15.1 All BERNAS personnel shall certify that they have read, understood and comply to BERNAS ABC Policy. Record of staff acknowledgement and declaration is available in Laman Integriti.

16.0 ABMS COMPLIANCE FUNCTION AND AUDIT

- 16.1 The IRMD shall perform the compliance function on anti-bribery and corruption within the BERNAS Group as follows:
- a. establish, implement and monitor the Anti-Corruption Compliance Programme, ABC Policy and ABMS Procedure where IRMD is the custodian;
 - b. implement, monitor and evaluate the effectiveness of anti-corruption compliance programme;
 - c. oversight the implementation of anti-bribery and corruption controls related to this policy;
 - d. conduct risk assessments to identify the bribery and corruption risks and mitigating action;
 - e. review the suitability and practicality of BERNAS ABC Policy, ABC Guideline and ABMS Procedures from time to time, taking into account the latest developments in the legislation as well as the evolvement of industry and international standards;
 - f. organise training and communication regarding anti-bribery and corruption, integrity and ethics;
 - g. provide consultation to BERNAS personnel and business partners on the issues relating to bribery and corruption; and



- h. any other function related to anti-bribery and corruption directed by the Top Management or Board of Directors.
- 16.2 IRMD shall report to the Board on the adequacy and implementation of the anti-corruption program at least once a year, where necessary. The terms of reference of the anti-bribery and corruption compliance function as follows:
- a. be given authority by the Board to attend on anti-bribery and corruption related matter;
 - b. be adequately equipped with resources, knowledge and competency;
 - c. be independent in undertaking activities including complaints management, prevention and detection, integrity enhancement and governance; and
 - d. have a direct reporting channel to the Board on integrity and anti-bribery and corruption related matters.
- 16.3 Regular review of the BERNAS ABC Policy is carried out to ensure its scope, policies, procedures and controls corresponding to the bribery and corruption risks identified as well as development of Anti-Bribery Corruption regulation.
- 16.4 BERNAS conducts regular audits/ reviews to assess the performance, efficiency and effectiveness of this policy that is part of the anti-corruption compliance programme, and to ensure that the ABC Policy, ABC Guideline and ABMS Procedure is enforced. Such audits/ reviews may be conducted internally by the appointed independent auditors or by an external party.
- 16.5 Depending on the nature/ category/ classification, findings on the non-compliance either to laws/ regulations or policy/ procedure should be reported to the top management and relevant committee in a timely manner.
- 16.6 BERNAS regards act of bribery and corruption a serious matter and shall pursue appropriate action for the non-compliance of this ABC Policy, ABC Guideline and ABMS Procedure. For BERNAS personnel, non-compliance

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may lead to disciplinary actions, up to and including termination of employment.

- 16.7 For business partners, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that BERNAS interests have been harmed in consequence of the non-compliance by an individual or business associates.

Such actions shall be taken without prejudice to any other rights or remedies BERNAS may have or any other appropriate action which BERNAS may seek under the terms of the contract or under the laws.

17.0 ABMS PROGRAMME

- 17.1 The anti-bribery and corruption programmes are designed to achieve the following objectives:
- a. MS ISO 37001:2016 ABMS Certification;
 - b. Compliance to adequate procedure under Section 17A (5) MACC Act 2009 (Amendment 2018) Integrity core function implementation;
 - c. Zero tolerance on bribery and corruption as well as sustaining the highest level of integrity;
 - d. Enhancing ethical business practices across the Group and maintaining zero MACC convicted case;
 - e. compliance with relevant laws and regulations related to anti-bribery and corruption;
 - f. effectively manage and combat corruption risks and mitigation action to protect directors, employees and shareholder as well as stakeholder interests; and
 - g. improve company culture of integrity and cultivate ethical business relationships.
- 17.2 To achieve these objectives, the anti-bribery and corruption programmes implemented is in accordance to the development of anti-bribery and

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corruption rules/ regulations as well as acceptable standard.

18.0 TRAINING AND AWARENESS

- 18.1 Awareness programs are planned and arranged for BERNAS personnel to refresh on the anti-bribery and anti-corruption measures and integrity enhancement.
- 18.2 Training shall be provided to the following personnel:
 - a. New employee;
 - b. Appointed to or currently holding an exposed position; and
 - c. Board of Directors and Top Management.
- 18.3 Integrity Officer may recommend certain trainings be repeated for BERNAS personnel in any operating unit if deemed necessary based on circumstantial requirement.
- 18.4 GHRD shall document and maintain training records in collaboration with Integrity & Risk Management Department.

19.0 WHISTLEBLOWING

- 19.1 BERNAS personnel are encouraged to report any attempted, suspected, and actual misconduct such as bribery, corruption, fraud, financial impropriety, mismanagement, non-compliance to ABC Policy, ABC Guideline, ABMS Procedure, Business Partners Code of Conduct, or weaknesses in the anti-bribery and corruption management system.
- 19.2 Whistleblower reporting, either anonymously or otherwise in good faith on the basis of a reasonable belief, is assured of confidentiality to the reporter identification and prohibition from retaliation by BERNAS regardless of the

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outcome of any investigation.

- 19.3 Any complaints concerning bribery and corruption, false claim, misuse of position, conflict of interest, fraud related and non-compliance to ABC Policy, ABC Guideline and ABMS Procedures should be reported to dedicated whistleblowing channel.
- 19.4 Following preliminary assessment of the complaints received, an independent investigating officer shall be appointed in the event the allegations require full investigation.
- 19.5 Depending on the outcome of investigation, BERNAS shall seek appropriate action for misconduct, bribery and corruption related offences on the Personnel or Business Associate involved, or refer to the enforcement authorities.
- 19.6 Refer to ABC Guideline and ABMS SOP 24 – Whistleblowing & Referring to Authorities.

20.0 WAIVER

- 20.1 Any deviation or waiver from this policy must be approved by Board of Directors or as per Management Delegated Authority/ Limit of Authority.