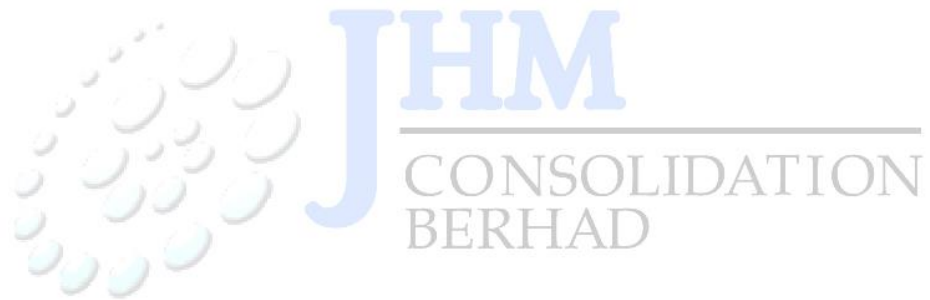


JHM CONSOLIDATION BERHAD

Registration no.: 200501009101 (686148-A)

ANTI-BRIBERY AND CORRUPTION POLICY



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1. INTRODUCTION

JHM Consolidation Berhad (“JHM” or “the Company”) and its subsidiaries (collectively referred to as the “Group”) conduct its business in a legal and ethical manner. The Group requires all employees (including full time, probationary, contract and temporary staff) (“Employees”) and Directors of the Group to be committed to acting professionally and with integrity in their business dealings.

The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. This Anti-Bribery and Corruption Policy (“Policy”) sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. This Policy is supplemental to, and shall be read in conjunction with the Code of Ethics and Conduct of JHM.

2. OBJECTIVE

The objective of the Policy is to provide information and guidance to Directors and Employees on standards of behavior to which they must adhere to and how to recognise as well as deal with bribery and corruption.

The Policy is not intended to be exhaustive, and there may be additional obligations that Directors and Employees are expected to adhere to or comply with when performing their duties. For all intents and purposes, the Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

3. DEFINITION OF BRIBERY AND CORRUPTION

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.

Corruption is the abuse of entrusted power for private gain.

Kickbacks refers to the return of a sum already paid or due as a reward for awarding of furthering a business.

4. APPLICABILITY

The Policy is applicable to all Directors and Employees of the Group. Each Employee has a duty to read and understand the Policy. Violation of any of the Policy’s provisions may result in disciplinary action, including termination of employment. If a Director requires further clarification on the Policy, the Director may liaise with the Chairman of the Board or the Group Chief Executive Officer (“CEO”), whereas for an Employee, the Employee may refer or highlight any concerns to the immediate superior and/or Head of Division/Department.

5. GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION

5.1 Gifts and Hospitality

This Policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest and bona fide corporate hospitality.

Gift giving and entertainment practices may vary in different cultures; however, any gifts and entertainment given or received must be in compliance with law, must not violate the giver's and/or receiver's policies on the matter.

Examples of acceptable gifts and/or benefits are as follows:-

- (a) token gifts offered in business situations or to all participants and attendees for example, work related seminars, conferences, trade and business events;
- (b) gifts presented at work-related conferences, seminars and/or business events;
- (c) gifts given in gratitude for hosting business events, conferences and/or seminars;
- (d) refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
- (e) meals for business purposes

As a general principle, Directors and Employees should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits. In addition, lavish or unreasonable gifts or hospitality must not be accepted as such gifts or hospitality may be perceived or interpreted as attempts by the Directors or Employees to obtain or receive favourable business treatment for personal benefits.

The Directors and Employees should be mindful in giving or receiving gifts or hospitality as it could be perceived as a way of improperly influencing the decision making of the recipient.

The intention behind the gifts or hospitality must always be considered.

All benefits (including Gifts and Entertainment) must be :-

- Reasonable in value
- Infrequent in nature
- Transparent and open
- Not given to influence or obtain an unfair advantage
- Respectful and customary

5.2 No-Gift Policy

JHM adopts a "No-Gift Policy" whereby all employees shall not solicit or accept any gifts from any third party that may have direct or indirect business interest with JHM.

JHM requires all employees to abide by this policy to avoid conflict of interest between JHM and the external parties as a gift can be seen as a bribe that may tarnish JHM's reputation or be in violation of anti-bribery and corruption laws.

As set out in JHM's Code of Conduct Policy, a conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in JHM for his or her personal benefit, including the benefit of his or her family and friends. This would undermine the duties of good faith, fidelity, diligence

and integrity as expected by JHM from its employees in the performance of their duties and obligations.

Any gift of cash or cash value (e.g. vouchers, coupons, shares, commissions, etc.) is strictly prohibited at all times.

The exception to the above is for fruits, flowers, and token gifts/ promotional items (such as diaries, pens, umbrellas, shirts, etc.) with an approximate/ actual value of less than RM200 (the recipients must properly estimate the gift value) as well as hampers (any value) which shall be shared amongst team members or placed in common area/ pantry for staff consumption. In such a case, the staff could choose to accept the item without having to make the declaration.

Any gift which violates the terms of “No-Gift Policy” must be declined/returned with an explanation note from the employees thanking the third party for the gift but explains politely about JHM’s “No-Gift Policy” and proceeds to decline/return the gift accordingly.

In the event the employee is unable to decline/return a gift with an approximate/actual value of RM200 and more, the employee must declare and surrender such gift to Human Resources (“HR”). HR will in turn seek the Group CEO’s direction on what is the best way to dispose the gift. The Group CEO, subject to his due considerations, will have the right to decide based on the following:

- (a) Donate the gift to charity; or
- (b) surrender it to the company recreational club to be used for the club’s activities; or
- (c) register it as a company property to be used publicly by all employees; or
- (d) designate it as a display item; or
- (e) retain all the gifts and consume later as lucky draw items during company’s event etc.; or
- (f) permit it to be retained by the employee

5.3 Facilitation Payments To Officer of Public Body (N1)

Facilitation payments are unofficial payments or other advantages made to secure or expedite the performance of a routine action by an officer of public body. Directors or Employees shall not promise or offer, or agree to give or offer, facilitation payments to an officer of any public body.

We do not make, and will not accept, facilitation payments or “kickbacks” of any kind.

Any individual with any suspicions, concerns or queries regarding a payment made on our behalf or improper business practices can raise these in accordance to the Group Whistle Blowing Policy.

N1: Public Body as defined in Section 3 of Malaysian Anti-Corruption Commission Act 2009

5.4 Political Contribution

JHM may, in very limited circumstances, make political contribution where such contributions are permitted applicable laws. The authority to approve such political contributions is with the Group CEO or the respective Board of Directors.

If any contribution is made, it must be permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return and must be accurately reflected in JHM’s books and records.

5.5 Charitable Contribution

Charitable support and donations are acceptable (and indeed are encouraged), whether of in kind services, knowledge, time, or direct financial contributions. However, Directors and Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the Group CEO.

The records of all charitable contributions must be accurately reflected in JHM's books and records.

6. RECORD-KEEPING

The Policy is applicable to all Directors and Employees of the Group. Each Employee has a duty to read and understand the Policy. Violation of any of the Policy's provisions may result in disciplinary action, including termination of employment. If a Director requires further clarification on the Policy, the Director may liaise with the Chairman of the Board or the Group CEO, whereas for an Employee, the Employee may refer or highlight any concerns to the immediate superior and/or Head of Division/Department.

It is important that proper and complete records be maintained of all payments made to third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with accuracy and completeness.

Employees must declare all hospitality or gifts accepted or offered, and submit details to the person in-charge who is assigned by the respective Division/Department for recording into a register which will be subject to internal audit review. Employees must also ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are approved by the Head of Division/Department and must be specifically recorded the reason for such expenditure and in compliance with the Group reimbursement policy.

7. COMPLIANCE TO THE LAW

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the Malaysian Anti-Corruption Commission Act 2009 (including any amendment thereof). The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

8. REPORTING OF VIOLATIONS OF THE POLICY

Any Employee who knows of, or suspects, a violation of the Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the Group's Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the Policy are available on the Group's website. No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.

9. TRAINING AND COMMUNICATION

All existing Directors and employees will receive annual refreshers trainings on how to implement and adhere to this Policy.

New employees to the Group will be introduced to this policy as part of the orientation training.

The Group zero-tolerance approach to corruption and bribery must be communicated to all suppliers, contractors, agents, business and other partners at the outset of our relationship with them and as appropriate thereafter.

10. MONITORING AND REVIEW

All employees are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering corruption and bribery.

11. CONFLICTS OF INTEREST

Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company. All personnel should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, Company's resources and assets, or information available to them for personal gain or to the Company's disadvantage. In situations where a conflict does occur, personnel are required to declare the matter to HR/Finance/Group CEO.

12. EMPLOYEE DECLARATION

All Directors and Employees shall certify in writing that they have read, understood and will abide by this policy. A copy of this declaration shall be documented and retained by the HR Department for the duration of the personnel's employment. This declaration will be renewed annually.

13. REVIEW

The Board will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.

Staff Declaration Form

I, _____, hereby declare that I have read and understood JHM's Anti-Bribery and Corruption Policy. I will abide by the requirements and provisions set out in the Policy, as required by my employment contract.

Name:

Title:



Appendix II

The following is a non-exhaustive list of possible red flags (for illustrative purposes only) that may arise and which may raise concerns under various anti-corruption and anti-bribery laws.

If the Board, employee and the Associated Third Party come across any of these red flags or believe it may occur potentially, he/she must make report promptly in accordance with the procedure as set out in our Whistleblowing Policy.

- (a) Become aware that a third party engages in, or has been accused of engaging in improper business practices, improper conduct or has a reputation for paying bribes or requiring bribes;
- (b) A third party demands gifts, benefits, commission or fees before committing or continue to sign up a contract;
- (c) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (d) A third party refuses to provide or provide insufficient, false, or inconsistent information in response to due diligence questions;
- (e) A third party requests the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us, or a shell entity serves as a middleman especially when domiciled in secrecy haven;
- (f) There are signs that the third party is not acting on his own behalf, but is trying to conceal the true beneficial owner's identity;
- (g) A third party has a reputation of having a "special relationship" with a government, political party or other public official or has been specifically requested by a public official;
- (h) A third party refuses to sign a commission or fee agreement or insists on the use of a side-letter relating to the payment of funds;
- (i) A third party requests an unusually large or disproportionate commission, retainer, bonus or other fee or an unexpected additional fee or commission to "facilitate" a service;
- (j) A third party requests payment in cash or cash equivalent such a money order;
- (k) refuses to provide an invoice or receipt;
- (l) A third party refuses to provide an invoice or receipt for a payment, or you receive an invoice or receipt that appears to be non-standard or customized;
- (m) A third party requests that a transaction is structured to evade normal record-keeping or reporting requirements;
- (n) A third party refuses to abide by this Policy or does not demonstrate that it has adequate internal anticorruption and bribery policies and procedures in place;
- (o) Been offered an unusually generous gift or lavish benefits or entertainment by a third party.