

# **GLOSTREXT BERHAD**

Registration No. 202201005343 (1451040-T)  
(Incorporated in Malaysia)

## **ANTI-BRIBERY AND CORRUPTION POLICY**

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## **ANTI-BRIBERY AND CORRUPTION POLICY**

This anti-bribery and corruption policy statement is for the internal use of Glostrex Berhad and its subsidiaries (“The Group”). The Company shall review and update this document from time to time.

### **POLICY STATEMENT ON ANTI-BRIBERY AND CORRUPTION**

The Management in Glostrex Berhad and its subsidiaries (“the Group”) applies the most stringent standards of ethical conduct, integrity, and accountability in the conduct of all our business activities and operations in complying with all the rules, regulations and laws pertaining to anti-bribery and corruption. The Management will not tolerate any staff or workers in the Group who are caught indulging in such activities in any form. All employees and workers are forbidden in soliciting whether directly or indirectly, accepting or offering any gratification in any manner or form whilst in the employment of the Group. Any staff and workers caught breaching this policy shall be terminated immediately without recourse as well as subject to the penalties of the local laws and regulations pertaining to such acts. The Board and Management are committed to implementing and enforcing stringent processes to prevent, eliminate and monitor to ensure that such activities do not happen. Glostrex Group shall provide all the employees and workers the necessary avenue to make any reports on any improper conduct as governed by our whistle-blowing policy and have direct access to the Board and Management pertaining to any anti-bribery and corruption issues.

## **1.0 INTRODUCTION**

### **1.1 Purpose**

Glostrex Berhad and its subsidiaries (“the Group”) are committed to conduct all business dealings with upmost ethics and integrity as one of its core values. The Group has adopted a **ZERO TOLERANCE** approach to any incidents of bribery or corruption in any forms. This policy sets out the Group’s position on all matters regarding bribery and corruption in any form that the Group might face in its daily business operations. It also provides the guidelines for the staff on what to do if they are face with such acts of inducements or temptations during the execution of their duties. Under the Malaysian Anti-Corruption Commission Act 2009 (Revised 2018) (“MACC Act”), bribery and corruption are criminal offences, and the penalties include a fine of unlimited amount and/or twenty years imprisonment. The Directors and Management are liable if any staff or worker of the Company commits such act of bribery or corruption.

### **1.2 Scope**

This policy shall apply to all Directors, Management, staff, and workers in the Group.

### **1.3 Definitions**

- ❖ Bribery / Corruption any action of giving or receiving gratification which would be considered as an offence under the MACC Act.
- ❖ Inducement Offer of incentive, gifts, payment on behalf, position of employment, entertainment, services
- ❖ Gifts are any item of monetary value such as money, jewelleries, and others given by one individual to another with the intention of creating or enhancing a relationship.
- ❖ Donations/Sponsorship payment or gratification in kind to a body, organisation
- ❖ Gratification means
  - a. Money, donation, gifts, loan, fee, reward, property, financial benefits or other similar items of value
  - b. Offer of office or employment whether for self or family members,
  - c. Any value consideration of any kind, discount, commission, rebate, bonus, deductions
  - d. Services or favour of any description, payment of behalf
  - e. Offer or undertaking whether conditional or unconditional of any future gratifications
  - f. Entertainment or hospitality of any kind

## **2.0 ACT OF BRIBERY AND CORRUPTION**

An act of bribery or corruption occurs when any of the director, management, staff or workers offer money or other monetary inducements to a customer or receiving gratifications from suppliers with the intention to secure, expedite or circumvent processes and restrictions for projects, permits, procurements of materials or services or influence decision making processes.

## **3.0 DIFFERENT FORMS OF BRIBERY AND CORRUPTION**

### **3.1 Gifts**

The Group has a no gift policy in terms of receiving gifts from any parties other than corporate gifts with corporate logo which are deemed as of minimal value. In the same token, the Group can provide corporate gifts such as table calendars, pens, diaries which are of minimal value to customers & suppliers as souvenir for special events or traditional year end gifts. All such gifts shall be received or provided under no obligation or expectation from all parties involved and shall be made openly to avoid any impression of ulterior motive behind the gifts giving or receiving. The threshold for gifts is limited to RM50 worth of items.

### **3.2 Entertainment**

The Group understands that it is common practice for staff to entertain or be entertained by customers and suppliers as part of the business relationship, especially during festive seasons. The Group's staff may be allowed to entertain on such occasion, but the extent of such entertainment shall be within reasonable limit and within the extent that is legal. In providing such entertainment, the staff must ensure that it is made in good faith to promote goodwill and it should not be on an excessive basis or where it will be construed as with ulterior motive or bad intentions such as in exchange of favours or advantages. In receiving of entertainment, the staff shall observe the same principles where such entertainments are within reasonable limits and are not excessive. Staff shall conduct themselves in such manner that they are not exposed to an environment where such entertainments can be construed as an exchange for favours or advantages. The threshold for festivals only include the three largest festivals for both Malaysia and Singapore, which are Chinese New Year, Hari Raya, and Deepavali.

### **3.3 Travel**

There are occasions where due to the corporate events, projects and feasibilities studies, the staff may need to travel with customers or suppliers where certain expenses are paid or being paid for; in such circumstances the staff must refer to the Head of Department where the purpose of the travel and

itinerary must be assessed such that there is no hidden agenda, motives, or obligations. Under no condition shall any family members be allowed to be part of the group in the travel.

### **3.4 Facilitation Payments**

Facilitation payments refers to unofficial payments made personally to an individual/corporate to secure or expedite performance of a process by an officer of a public body such as issuing of licenses, permits. Such payments are illegal and consider as corruption and the Group will not tolerate such action by any staff or senior management. An example of facilitation payment is to constitute a bribe with the intention of expediting an administrative process. Another example of an illegal payment is a kickback, which is intended as compensation for preferential treatment, or any other type of improper service rendered.

### **3.5 Sponsorships & Donations**

The Group forbids any sponsorships or donations of any kind to any individual, corporate bodies, clubs or political parties. However, the Group can sponsor or donate to charitable bodies, local communities, educational bodies for the welfare of the public as part of its corporate social responsibilities program. Such bodies must be screened to ensure it is not part of a scheme to conceal corruption practices or to influence business decision. All such donations or sponsorships must be done without any motive or intention of securing an advantage of any kind or to influence the outcome of a business process.

## **4.0 BUSINESS ASSOCIATES / PARTNERS**

The Group is committed to ensure that any business partner/s that it intends to do business with shall comply with the Group's standard operating procedures and are thoroughly vetted. The Group expects all business partners on behalf of the Group to refrain from any form of bribery or corruption and to adhere to this policy strictly. Should any suspicion in the course of the business relationship arise, the Group will perform the necessary due diligence on the business partners and if proven, the Group shall seek an alternative provider of the good or services. Such due diligence shall include a risk assessment of potential bribery and checking of the partner's relationships with public officials and the reason why the partner is chosen.

## **5.0 EMPLOYEES RESPONSIBILITIES**

All employees are required to understand and comply to this policy and their responsibilities shall include:

- To ensure that they are familiar with the requirements and directives of this policy

- To raise any suspicious transactions to their immediate superiors
- To report any violations immediately to the appropriate channel

## **6.0 CONFLICT OF INTEREST**

There are situations where a conflict of interest might arise due to personal interest that can interfere with the objective decision making of the business of the Group. All personnel shall refrain from making any decision if such situation arises and are strictly forbidden to use their position to make or influence any of the processes. If a staff shall find himself/herself in such situation, he/she shall report to their immediate superior and refrain himself/herself.

## **7.0 WHISTLEBLOWING**

If any personnel suspect that this policy had been breached, they have a duty to inform their immediate superior or the Head of department of their concerns or raise their concerns via the channel as stated in the Group's whistle-blowing policy (**GT-WBP-001**).

## **8.0 MONITORING AND REVIEW OF POLICY**

This policy shall be subject to regular monitoring and review so that it can be updated to ensure its relevance as part of the Group's continuous commitment to anti bribery and anticorruption effort.

## **9.0 COMMUNICATION AND TRAINING**

The policy will be provided through email to all staff, customers, suppliers, associated 3<sup>rd</sup> parties and be displayed at the Ground Floor notice board of the Glostrext HQ.

The Human Resource Department of the Group will oversee documentation and annual updates of the Policies. All employees, directors, key personnel, suppliers as well as customers must provide acknowledgement of receiving the Group's AB&C policy.

## **10.0 POTENTIAL RED FLAGS**

### **a. Unnecessary or inappropriate purchases**

Corrupt payments can sometimes be concealed as bona fide expenditure. If an employee purchases unnecessary or inappropriate items from a supplier or contractor with no obvious business need, this could indicate a potentially corrupt relationship.

Watch out for frequent low-level orders or purchases of large quantities, particularly if there is no visible need for such items or those goods never seem to materialise.

#### **b. Questionable invoices**

Corrupt payments and bribes may be concealed in invoices. For example, invoices may be submitted without any actual work being done and no supporting documentation, haemorrhaging funds away from the business. Invoices may also conceal corrupt payments, which appear as extra fees, expenses, or charges.

Look out for over-inflated invoices or invoices that cannot be matched to any discernible output. Alarm bells should ring if fees, commissions, or expenses are listed without supporting documentation. Always look for a pattern of questionable invoices, as this can indicate that the invoices are being used to fund bribe payments.

#### **c. Continued acceptance of poorer quality**

If an employee continues to work with or accept sub-standard goods or services despite complaints being made, this could be a strong indicator for possible corruption.

#### **d. Conflicts of interest**

The risk of bribery and corruption can increase with close connections or links between an employee and a supplier or contractor. At worst, nepotism and cronyism can cloud your judgement and lead to bad decisions which are not in the company's best interests. At best, this can give a perception of corruption.

Think about whether an employee has a personal or economic interest in a particular transaction or appointment. What is their personal relationship with them? Are there close links? Does their behaviour change when certain suppliers are mentioned? Are they acting differently or suspicious? Is there an insistence that they alone deal with a certain supplier? All this could indicate a conflict of interest.

#### **e. Unqualified third parties**

Bribery and corruption can occur via intermediaries and agents, who may appear to do no more than facilitating the deal.

Be suspicious if the third party your company is dealing with seems unqualified for the job they are contracted to perform if they have no track record in the industry in which they operate, if they lack facilities or resources required to perform the work if they come highly recommended by a foreign public official and seem able to bypass legal or bureaucratic hurdles effortlessly.

**f. Incomplete travel and expenses**

Finally, bribes and corrupt payments may be concealed as travel expenses or hospitality. Expenses should only be reimbursed for legitimate business expenditure, backed up with supporting documentation.

Look out for travel and expense forms with missing receipts or that don't add up - e.g., a reported trip to a supplier's site that didn't happen. Sharp practices could signify something bigger like internal fraud or business money being used for improper payments.