

# HPMT HOLDINGS BERHAD

## ANTI-BRIBERY AND CORRUPTION POLICY

### **Introduction**

HPMT Group of companies (“HPMT” or “Group”) has adopted a zero-tolerance policy against all forms of bribery and corruption. The HPMT Anti-Bribery and Corruption Policy and Guidelines elaborate upon those principles, providing guidance to employees and any person associated to HPMT concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The Policy and Guidelines are not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, this policy is intended to provide employees and any person associated to HPMT with a basic introduction to how HPMT combats bribery and corruption in furtherance of the group’s commitment to lawful and ethical behavior at all times. Some of the guidelines are designed to prevent situations in which bribery and corrupt practices may take root.

### **Objectives**

It is HPMT’s policy to conduct all of our business in an honest and ethical manner. HPMT takes zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all business dealings and relationships wherever HPMT operates.

This policy applies to all individuals working at all levels within HPMT, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, trainees, casual workers and agency staff, volunteers, interns, agents, sponsors, suppliers, distributors, or any other person associated with HPMT, or any of HPMT’s subsidiaries or their employees, wherever located.

### **Definition**

**Bribe:** 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 Group; or
- b) To obtain or retain an advantage in the conduct of business for the Group.

**Facilitation Payments:** Small sums, unofficial payment made to secure or expedite a routine government action by a government official.

**Kickbacks:** The return of a sum already paid or due as a reward for awarding or furthering business.

**Person Associated:** Director, partner, employee of HPMT or a person who performs services of or on behalf of HPMT (i.e. an agent of HPMT)

## **Gifts and Hospitality**

### **Business Gifts and Inducements**

We refrain from accepting gifts or any forms of inducements from suppliers or third parties in exchange for granting them purchase orders/ contracts. As a responsible and conscientious company, we hold the view that every purchase order/ contract should be awarded based on the merits of the case, i.e. subject to determining factors such as price, quality of goods and services rendered and the supplier's track record in delivery of goods. Similarly, we do not give gifts or any forms of inducement to gain an unfair advantage with customers. Gift as a token of appreciation will be not consider as bribery.

### **Payments to Government Personnel**

In compliance with the Malaysia Anti-Corruption Act, we do not promise, offer, or deliver to any domestic or foreign government official, directly or indirectly, any gift, favor, or other gratuity, in order to obtain or retain business.

### **Facilitation Payments and Kickbacks**

HPMT does not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.

If you are asked to make a payment on HPMT's behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your manager.

Kickbacks are typically payments made in return for a business favour or advantage. All staff must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by HPMT.

### **Donations**

HPMT does not make contributions to political parties. Any charitable donations must be legal and ethical under local laws and practices. No donation may be offered or made without the prior approval from Top Management.

### **Responsibilities**

All staff must ensure that they read, understand and comply with this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all HPMT staff or under its control. Staff are required to avoid any activity that might lead to, or suggest, a breach of this policy.

Staff must notify management as soon as possible if believe or suspect that a conflict

with this policy has occurred, or may occur in the future.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

### **Risk Management Assessment**

HPMT will conduct a corruption risk assessment periodically or when there is a change in law or circumstance. The assessment will be used to establish appropriate processes, controls and systems.

Management to review the assessment once every 3 years or intermittent assessment to be conducted if deemed necessary.

### **Record Keeping**

HPMT must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

All accounts, invoices, other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off-book" to facilitate or conceal improper payments.

### **Reporting Channel**

Staff who refuse to accept or offer a bribe or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy even if they turn out to be mistaken.

If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your manager. In the event you consider your manager will not deal with any issue appropriately, the issue should be reported to the Audit Committee Chairman Ms. Patricia Chua at email [patriciachua@hpmt-industries.com](mailto:patriciachua@hpmt-industries.com) under the Anti-fraud and Whistleblowing policy.

### **Training and Communication**

Training on this policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this policy.

Our 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.

### **Monitoring and Review**

All staff 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.

### **Penalty and Implications on Conviction**

Under the Section 17A Malaysian Anti-Corruption Commission (Amended) Act 2018, those who deemed to have committed the offence will be:

- Fine not less than 10 times the sum or of the gratification or RM1 Million, whichever is higher;
- Imprisonment not exceeding 20 years; or
- Both

Amended on 01 July 2023.