

STEEL HAWK ENGINEERING

**ANTI-BRIBERY
AND
ANTI-CORRUPTION
(ABAC) MANUAL**

EFFECTIVE DATE: 1 JANUARY 2021

STEEL HAWK ENGINEERING SDN BHD

STEEL HAWK ENGINEERING SDN BHD.

All rights reserved. No part of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the permission of the copyright owner.

**ACKNOWLEDGMENT RECEIPT OF STEEL HAWK ENGINEERING SDN BHD
ANTI-BRIBERY AND ANTI-CORRUPTION MANUAL**

Name of Employee : _____

Department : _____

I have received and read the Company's Anti-Bribery and Anti-Corruption Manual. I understand the standards and policies contained in the Company Anti-Bribery and Anti-Corruption Manual and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Company Anti-Bribery and Anti-Corruption Manual, and to report any violations of this policy through out the Human Resources Department / Employee Relations Section.

If I have questions concerning the meaning or application of the Company Anti-Bribery and Anti-Corruption Manual, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult my manager or the Human Resource Department knowing that my questions or reports to these sources will be maintained in confidential.

Date:

Signature of Employee:

**THIS FORM MUST BE COMPLETED AND SIGNED AT THE TIME OF THE
ISSUANCE/ACCESSABILITY OF THE MANUAL.**

**A COPY OF THIS ACKNOWLEDGMENT IS TO BE PLACED IN EACH
EMPLOYEE'S PERSONNEL FILE.**

STAFF DECLARATION FORM

ACKNOWLEDGMENT OF ANTI-BRIBERY AND ANTI- CORRUPTION POLICY

I, _____ hereby declare that I have read SHESB’s Anti-Bribery and Anti-Corruption Manual (“Manual”), and understand that there may be additional policies or laws specific to my job in relation to the said Manual.

I acknowledge the requirements and provisions set out in the said Manual which shall be read together and forms part of my employment contract with SHESB.

I agree to SHESB’s zero-tolerance approach to bribery and corruption and the possible actions of:

- a) Dismissal
- b) Legal action by SHESB
- c) SHESB filing a police report
- d) SHESB filing a report to MACC

that may be taken against me for the breach of this manual.

I also understand that to have assisted or facilitated the violation of this ABAC Manual, whether actively or by way of negligence or omission, will also be deemed to have violated the ABAC Policy and may be liable for the actions stated above.

Name:

NRIC:

Designation:

Date:



TABLE OF CONTENTS

INTRODUCTION.....	1
PART 1:.....	2
APPLICATION AND DEFINITIONS.....	2
1A: APPLICATION.....	2
1B: DEFINITIONS.....	2
PART 2:	3
GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY.....	3
2A: “NO GIFT” POLICY.....	3
2A(I). RECEIVING GIFTS.....	4
2A(II). PROVIDING GIFTS	5
2A(III). EXCEPTIONS TO THE “NO GIFT” POLICY.....	5
2B(I). PROVIDING ENTERTAINMENT.....	9
2B(II). RECEIVING ENTERTAINMENT	10
2C(I). CORPORATE HOSPITALITY	13
2C(II). PROVIDING CORPORATE HOSPITALITY.....	14
2C(III). RECEIVING CORPORATE HOSPITALITY	15
PART 3:	17
DEALING WITH PUBLIC OFFICIALS	17
3A(I). DEALING WITH PUBLIC OFFICIALS.....	17
3A(II). SHESB EMPLOYEES AS PUBLIC OFFICIALS.....	17
PART 4:	23
CORPORATE SOCIAL RESPONSIBILITY (CSR), SPONSORSHIPS AND DONATIONS	19
4A. CORPORATE SOCIAL RESPONSIBILITY (CSR)	19
4B. SPONSORSHIPS AND DONATIONS	19
4B(I). DUE DILIGENCE CHECKLIST	20
PART 5:	23
POLITICAL CONTRIBUTIONS.....	23
5A. POLITICAL CONTRIBUTIONS	23
PART 6:.....	25
FACILITATION PAYMENT	25
6A. MAKING FACILITATION PAYMENT	25
6B. EXCEPTION TO MAKING FACILITATION PAYMENT	25
PART 7:.....	26
MONEY LAUNDERING	26
7A. MONEY LAUNDERING	26



PART 8:	28
DEALING WITH THIRD PARTIES.....	28
8A. DEALING WITH THIRD PARTIES	28
8B(I). DEALING WITH CONTRACTORS AND SUPPLIERS	29
8B(II). DUE DILIGENCE CHECKLIST FOR CONTRACTORS AND SUPPLIERS.....	30
8C. MERGERS, ACQUISITIONS AND INVESTMENTS.....	30
8C(I). DUE DILIGENCE – PRE ACQUISITION	30
8C(II). DUE DILIGENCE – POST ACQUISITION	31
8C(III). WHAT TO LOOK FOR IN ANTI-BRIBERY DUE DILIGENCE	31
8D. JOINT VENTURE PARTNERS	31
 PART 9:	 32
RECRUITMENT OF EMPLOYEES.....	32
9A. RECRUITMENT OF EMPLOYEES	32
 PART 10:	 34
SHESB WHISTLEBLOWING POLICY.....	34
10A. SHESB WHISTLEBLOWING POLICY	34
10B. PROCEDURAL MATTERS	34
10B(I). CONSEQUENCES OF A BREACH	34
10B(II). HOW TO MAKE A REPORT ON ANY BREACH	34
10B(III). FURTHER CLARIFICATIONS	34
10B(IV). REGISTERING ANY CONFLICTS OF INTERESTS, GIFTS AND CORPORATE HOSPITALITY	35
 PART 11:	 36
APPENDICES.....	36
11.1 APPENDIX I.....	37
POTENTIAL RISK SCENARIO – “RED FLAG”	
11.2 APPENDIX II.....	38
GIFT, ENTERTAINMENT & HOSPITALITY DECLARATION	
11.3 APPENDIX III.....	39
THIRD PARTY DECLARATION	
11.4 APPENDIX IV	40
DUE DELIGENCE CHECKLIST	
11.5 APPENDIX V	43
PROCEDURES OF STEEL HAWK WHISTLEBLOWING POLICY	
11.6 APPENDIX VI	45
STEEL HAWK WHISTLEBLOWING POLICY	



INTRODUCTION

Steel Hawk Engineering Sdn Bhd (hereinafter referred to as “SHESB”) has adopted a zero-tolerance policy against all forms of bribery and corruption. The SHESB Code of Conduct and Business Ethics (CoBE) sets out SHESB’s core principles in this regard.

The SHESB Anti-Bribery and Anti-Corruption Policy and Guidelines (hereinafter referred to as the “ABAC Manual”) elaborate upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

It is also intended to apply to every director (executive and non-executive) except as otherwise stated in this Policy and Guidelines. SHESB also expects that contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of SHESB will comply with the relevant parts of the ABAC Manual when performing such work or services.

The Policy and Guidelines are not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, they are intended to provide employees with a basic introduction to how SHESB combats bribery and corruption in furtherance of the group’s commitment to lawful and ethical behaviour at all times.

Some of the guidelines are designed to prevent situations in which bribery and corrupt practices may take root. If you have any doubt about the scope of applicable laws or the application of the group’s policies concerning the fight against bribery and corruption, you should contact your relevant Top management immediately.

“ALWAYS ASK WHENEVER IN DOUBT”

Engaging in bribery or corrupt practices can have severe consequences for you and for the SHESB. You may face dismissal, fines and imprisonment, and the company may face damage to reputation, financial loss and disbarment from business and other negative consequences.

*An electronic version of this Policy and Guidelines is available at
<https://www.steelhawk.com.my/>*



PART 1: APPLICATION AND DEFINITIONS

1A: APPLICATION

This ABAC Manual is intended to apply to every employee of SHESB nationwide. It is also intended to apply to every director (executive and non-executive) for those companies, except as otherwise stated in this Manual. Although the ABAC Manual is specifically written for SHESB employees and directors, SHESB expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of SHESB will comply with it in relevant part when performing such work or services.

If a law conflicts with a policy as set out in this ABAC Manual, you should comply with the law. If you perceive that a provision in this Manual conflicts with the law in your jurisdiction, you should consult with your Head of Department, Human Resource Department or Top Management, rather than disregard the Manual without consultation. However, if a local custom or policy conflicts with this Manual, you are called upon to comply with this Manual. If you have any questions about any of these conflicts, please consult your Head of Department, Human Resource Department or Top Management.

1B: DEFINITIONS

References to “you” in this ABAC Manual refers to any person to whom this Manual applies. Where more specific references are used (such as “employee”), the more specific reference is intended. For purposes of this Manual, the term “family/household” includes your spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.

For purposes of this Manual, the term “employee” means any person who is in the employment of SHESB including but not limited to executives, non-executives, secretaries, secondees and individuals on direct hire. The term “SHESB” means Steel Hawk Engineering Sdn Bhd (SHESB) and its area offices. The expression “SHESB” is used for convenience where references are made to SHESB area offices in general.



PART 2: GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY

2A: “NO GIFT” POLICY

SHESB has adopted a “No Gift” Policy whereby, subject only to certain narrow exceptions, SHESB employees and directors (executive and non-executive), family members or agents acting for or on behalf of SHESB employees, directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts.

SHESB requires employees and directors to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between SHESB and external parties as a gift can be seen as a bribe that may tarnish SHESB’s reputation or be in violation of anti-bribery and corruption laws.

As set out in the SHESB Code of Conduct and Business Ethics (CoBE), 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 SHESB for his or her personal benefit, including the benefit of his or her family/ household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by SHESB from its employees and directors in the performance of their duties and obligations.

It is the responsibility of employees and directors to inform external parties involved in any business dealings with SHESB that the company practices a “No Gift Policy” and to request the external party’s understanding for and adherence with this policy.



2A(I): RECEIVING GIFTS

SHESB is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging SHESB's "No Gift Policy", some external parties may still insist in providing gifts to SHESB employees, directors and/or their family members in certain situations which do not fall within the general exceptions.

Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of SHESB is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever SHESB' business relationship with the Third Party. However, in no circumstances may an employee, director or his/her family/household members accept gifts in the form of cash or cash equivalent.

In these limited circumstances, employees are expected to immediately record the gift in the Gifts, Entertainment & Hospitality Declaration (using the "Appendix II") or any other form as provided by your Human Resource Department for submission to your Head of Department (HOD) or Top Management who will then decide whether to approve the acceptance of the gift or require it to be returned. Directors should inform Integrity and Governance Unit as soon as reasonably practicable, to seek his/her advice when faced with a similar situation.

Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then clearly the Head of Department (HOD) or Top Management cannot approve the acceptance of said gift (Directors should inform Integrity and Governance Unit as soon as reasonably practicable, to seek his/her advice when faced with a similar situation).

In this situation, the gift must be politely returned with a note of explanation about the company's "No Gift" policy. In the event the Head of Department (HOD) or Top Management approves the acceptance of the gift, he/she must also determine the treatment of the gift whether to:

- a) Donate the gift to charity; or
- b) Hold it for departmental display; or
- c) Share with other employees in the department; or
- d) Permit it to be retained by the employee.



In determining the above, Head of Department (HOD) or Top Management are expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position/ seniority of the person(s) providing the gift, the business context, reciprocity, applicable laws and cultural norms.

2A(II): PROVIDING GIFTS

It is mandatory, employees are **not allowed** to provide gifts to third parties.

2A(III): EXCEPTIONS TO THE “NO GIFT” POLICY

Although generally SHESB practices a “No Gift” Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations: -

- a) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property);
- b) Gifts from company to external institutions or individuals in relation to the company’s official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
- c) Gifts from SHESB to employees and directors and/or their family members in relation to an internal or externally recognised company function, event and celebration (e.g. in recognition of an employee’s/director’s service to the company);
- d) Token gifts of nominal value normally bearing the SHESB or company’s logo or e.g.- shirtspens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company’s brand building or promotional activities; and
- e) Gifts to external parties who have no business dealings with SHESB (e.g. monetary gifts or gifts in-kind to charitable organisations).



Even in the above exceptional circumstances, employees and directors are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles set out in the CoBE as per below:

- Conscientiously maintain the highest degree of integrity,
- Always exercise proper care and judgment,
- Avoid conflicts of interest,
- Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of SHESB, and
- Comply with applicable laws, regulations and SHESB policies and procedures.

SHESB'S "NO GIFT" POLICY

As a general principle, SHESB employees and directors are prohibited from, directly or indirectly, giving or receiving gifts to avoid conflict of interest or the appearance of conflict of interest.

THE GENERAL RULE

THIRD PARTY

**PROVIDE GIFTS OR
OFFERS TO
PROVIDE GIFTS**



EMPLOYEE

**POLITELY
DECLINES GIFTS**

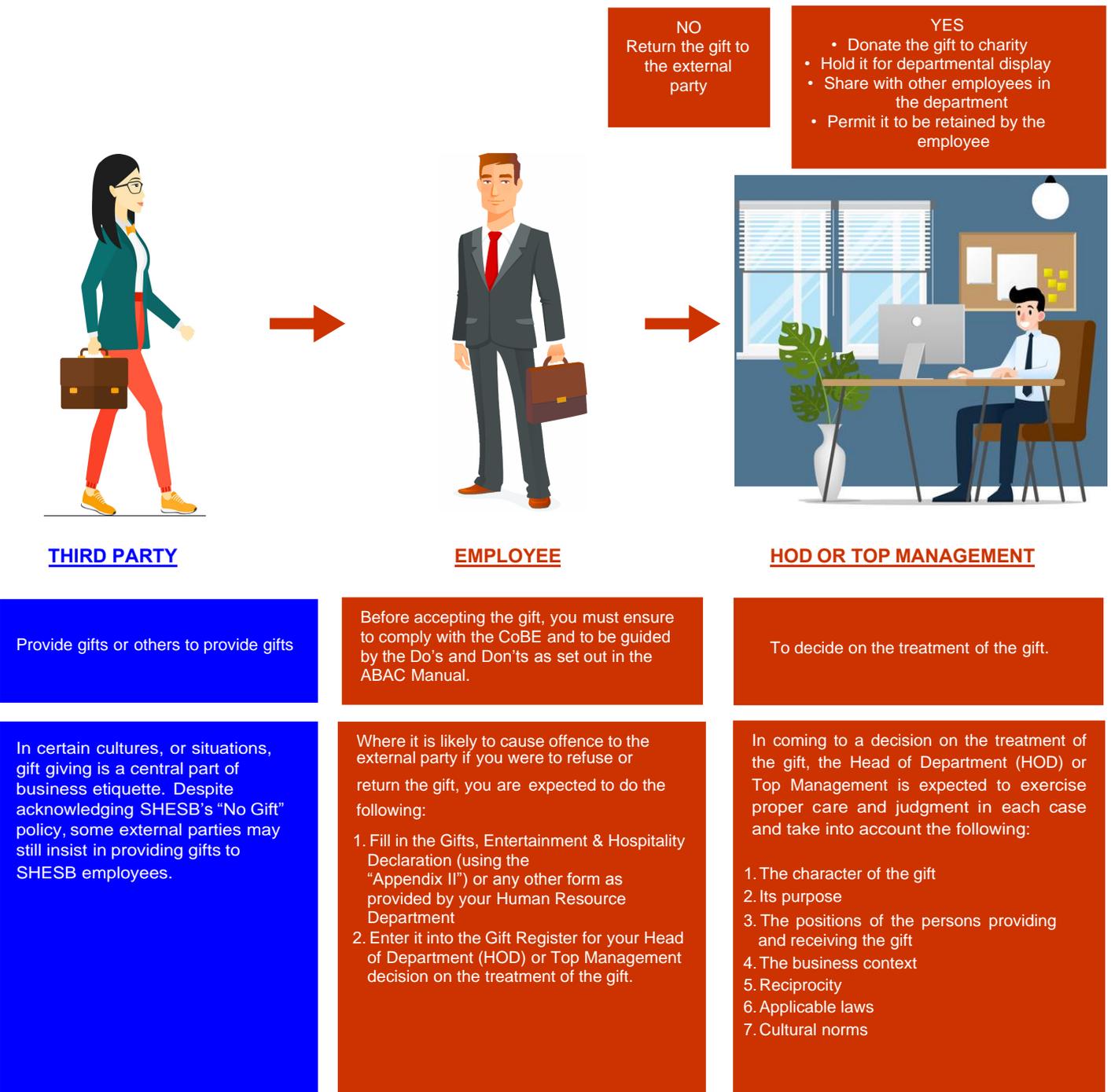


GIFT ACTIVITY REPORTING AND APPROVAL PROCESS

The below depicts the process flow for reporting a gift accepted on behalf of SHESB (only allowed in very limited circumstances) whereby refusing the gift is likely to seriously offend and may sever SHESB' business relationship with the Third Party.

EXCEPTIONAL CASES

(In very limited circumstances and subject to approval)





REFER TO THE DO'S AND DON'TS BELOW:

DO'S	DON'T'S
<ul style="list-style-type: none"> ✓ SHESB employees and directors must inform third parties involved in business dealings with SHESB that the company practices a “No Gift Policy” and to request the aforementioned parties to respect and adhere with the company policy. 	<p>There are certain types of gifts which are never permissible and SHESB employees and directors should immediately refuse if it involves the following: -</p>
<ul style="list-style-type: none"> ✓ SHESB employees and directors are prohibited from accepting or providing gifts to third parties unless it falls under the general exceptions provided under the policy as stated in CoBE. 	<ul style="list-style-type: none"> ✗ Any gift of cash or cash equivalent. Cash equivalent could be in the form of vouchers, discounts, coupons, shares and commission etc.
<ul style="list-style-type: none"> ✓ SHESB Head of Department (HOD) or Top Management must exercise proper care and judgment when handling gift activities and apply the general CoBE principles in determining the appropriateness of the gift, in particular when dealing with public officials and public agencies/bodies as strict rules apply. 	<ul style="list-style-type: none"> ✗ Any gifts involving parties engaged in a tender or competitive bidding exercise.
<ul style="list-style-type: none"> ✓ Employees are required to submit the Appendix II Form to his/her Head of Department (HOD) or Top Management who will then decide whether to approve the acceptance of the gift or require the gift to be returned. 	<ul style="list-style-type: none"> ✗ Any gifts that comes with a direct/ indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required (“quid pro quo”).
	<ul style="list-style-type: none"> ✗ Any gift that would be illegal or in breach of local or foreign bribery and corruption laws.
	<ul style="list-style-type: none"> ✗ Any gift which is lavish or excessive e.g. valued above the maximum threshold permitted by SHESB or may adversely affect the reputation of SHESB.
	<p>You must immediately return or decline any gift that falls within the abovementioned categories.</p>



2B(I): PROVIDING ENTERTAINMENT

SHESB recognises that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external clients. As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

In some countries, the act of hospitality through entertainment is a central part of business etiquette. However, this may not necessarily be the case in every country or in all circumstances as it may create a negative perception if observed or known by others despite selfless motives behind the entertainment provided.

Employees and directors should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore you should always exercise proper care and judgment when providing entertainment to third parties especially when it involves public officials to ensure compliance with local anti-bribery and corruption laws.

Employees and directors are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of the CoBE.

You are required to comply with the policies and procedures of your Human Resource Department, and maintain expenses within the limits of your entitlement, when carrying out entertainment activities. As set forth in CoBE, any entertainment activities that would involve public officials shall require the prior approval of Head of Department (HOD) or Top Management in consultation with your top management or the Integrity & Governance Unit (IGU). Specific rules governing employees' conduct when dealing with Public Officials is set out in greater detail in Part 3 of this ABAC Manual. Directors (executive and non-executive) are also expected to abide by the same rules



2B(II): RECEIVING ENTERTAINMENT

SHESB recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.

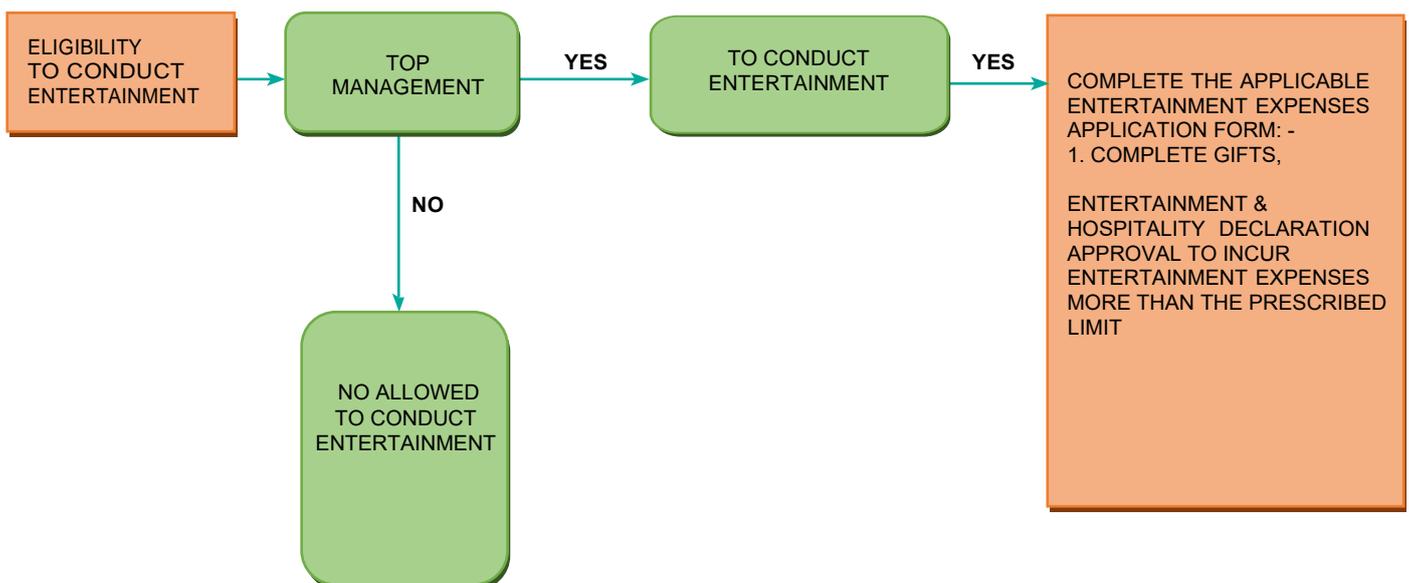
However, it is important for employees and directors to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard the company's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.

You are required to comply with the policies and procedures of your Human Resource Department in relation to receiving entertainment from third parties.

As set forth in CoBE, in no event, however, may you or any of your family/household members accept entertainment in exchange for an exercise of non-exercise of your SHESB authority or otherwise to the detriment of SHESB.

ELIGIBILITY TO CONDUCT ENTERTAINMENT ACTIVITY

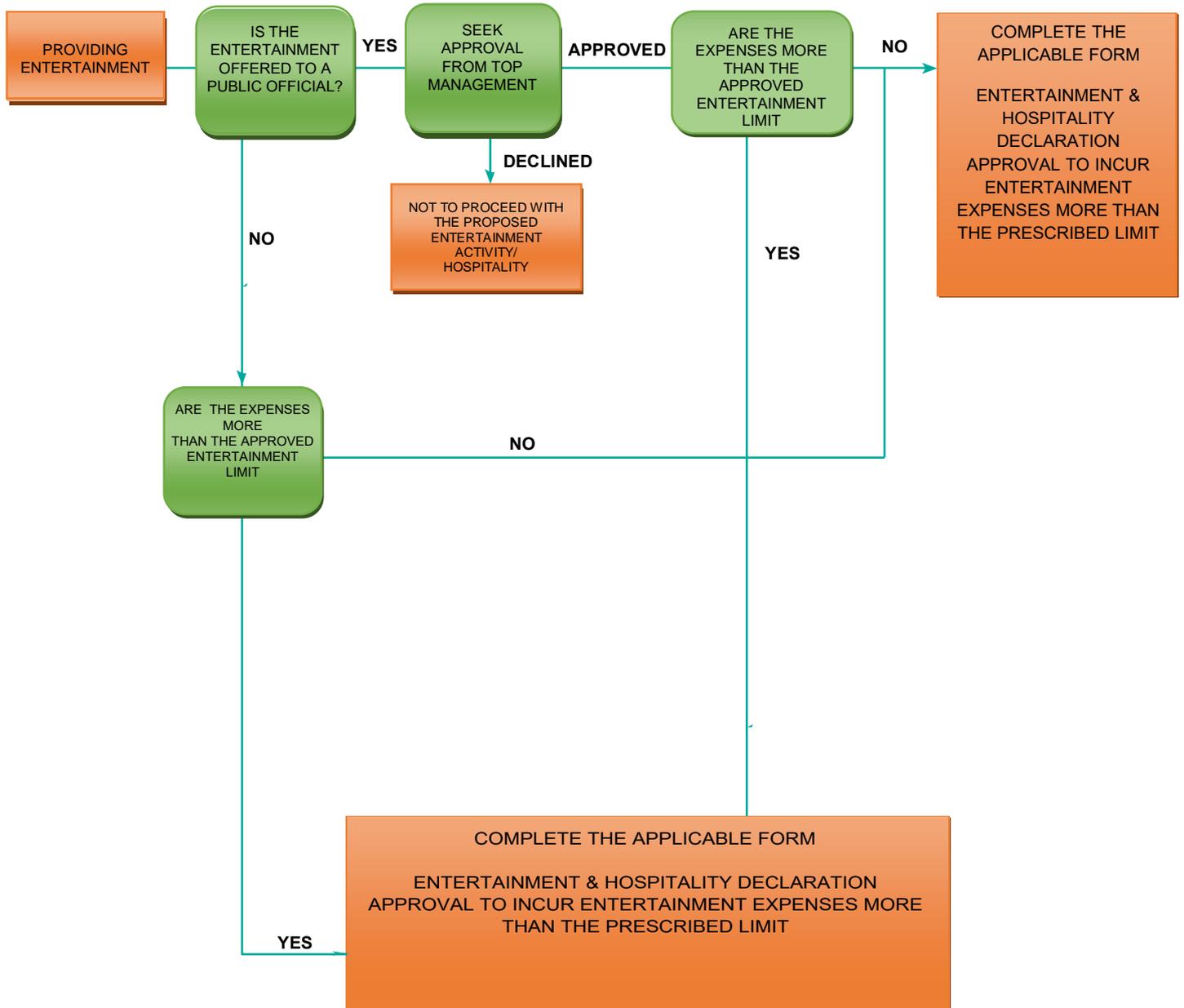
The below chart illustrates the process flow to determine executive employees' eligibility to carry out entertainment activities.





ENTERTAINMENT ACTIVITY REPORTING AND APPROVAL PROCESS (APPLICABLE TO GROUP COMPANIES BASED IN MALAYSIA WITH STANDARD SHESB TERMS AND CONDITIONS)

The below chart illustrates the process flow for reporting an Entertainment Activity for employees who meet the eligibility criteria to incur entertainment expenses.





REFER TO THE DO'S AND DON'TS BELOW:

DO'S	DON'T'S
<ul style="list-style-type: none"> ✓ SHESB Top Management must ensure that the entertainment offered is legitimate, modest and not lavish or excessive or extraordinary. 	<p>There are certain types of entertainment activities which are never permissible and you should immediately refuse if it involves the following:-</p>
<ul style="list-style-type: none"> ✓ SHESB Top Management are prohibited from offering or providing entertainment with a view to improperly creating undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether directly or indirectly, may be construed as an act of bribery that is contrary to the general principles of the CoBE. 	<ul style="list-style-type: none"> ✗ Any entertainment that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the entertainment provided some expected or desirable outcome is required (“quid pro quo”).
<ul style="list-style-type: none"> ✓ You must be aware and educate yourself on local anti-bribery and corruption laws when dealing with public officials as in some countries providing entertainment to public officials has the potential to be regarded as bribery. 	<ul style="list-style-type: none"> ✗ Any entertainment activities that would be illegal or in breach of local or foreign bribery laws.
<ul style="list-style-type: none"> ✓ Eligible employees are required to comply with the policies and procedures of their Human Resource Department, and maintain expenses within the limits of their entitlement, when carrying out entertainment activities. 	<ul style="list-style-type: none"> ✗ Any entertainment activities that would be perceived as extravagant, lavish or excessive or may adversely affect the reputation of SHESB.
<ul style="list-style-type: none"> ✓ Any entertainment activities that would involve public officials shall require the prior approval of the respective Top Management 	<ul style="list-style-type: none"> ✗ Any entertainment activity that is sexually oriented or may otherwise tarnish the reputation of SHESB. <p>You must immediately decline any offers of entertainment that falls within the above categories.</p>



2C(I): CORPORATE HOSPITALITY

Corporate hospitality is generally defined as “corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”. Third parties may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.

Corporate events and activities include but are not limited to sporting events, gala dinners, concerts or activity-based events such as golf tournaments.

Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate vs. illegitimate forms of corporate hospitality.

The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality. Corporate hospitality would be illegitimate in the following situations: -

- If it provides an advantage to another person if offered; or
- If it is given with the intention of inducing the person to perform a relevant function improperly; or
- If there is knowledge that acceptance of the advantage would in itself be improper performance.

Transparency International has advocated corporate hospitality arrangements/activities should conform to the following basic principles:

- Transparency, in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept;
- Proportionality i.e. the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient’s official capacity and not provided in his/her personal capacity;
- Reasonableness in ensuring that the corporate hospitality is not lavish; and
- Bona fide, where the intention to offer and/or provide the corporate hospitality is done with good and legal intentions.



2C(II): PROVIDING CORPORATE HOSPITALITY

SHESB recognises that providing corporate hospitality to its stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.

It is customary for SHESB to issue complimentary invitations in the form of passes, tickets or invitations to third parties for events organized or sponsored by SHESB, its area offices as well as events organised or sponsored by external organisations. The following are some of the examples of SHESB providing corporate hospitality:

- a) Events sponsored by SHESB
- b) Events organised by SHESB
- c) Events organised by external organisations for the benefit of that organisation or charitable events

While providing corporate hospitality is a reflection of SHESB's courtesy and goodwill, the respective Top Management must exercise proper care to protect the company's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures. There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to a SHESB corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve public officials.

There are various local and international anti-bribery and corruption laws that impose strict restrictions on the value and level of entertainment and corporate hospitality to be accorded to third parties, particularly when it is offered to government or public officials. SHESB is committed to comply with applicable laws governing the provision of corporate hospitality to third parties, especially when it involves public officials, and therefore expect employees to undertake the following: -

- a) To publicise and make clear the company's policy on providing and receiving corporate hospitality;
- b) To obtain all necessary approvals for the issuance of complimentary tickets or passes to corporate hospitality events in accordance with the SHESB Limits of Authority;
- c) To expressly notify the recipients in writing that all complimentary tickets or passes are NON-TRANSFERABLE (e.g. the terms and conditions for use to be printed on the tickets, passes or invitations). In the event that the recipients are unable to attend, he/she is expected to return the tickets or passes to SHESB.



The unauthorised transfer of tickets or passes to persons other than the named recipient may signify to others that the invitation was extended to the recipient in his/her personal capacity. All expenses incurred to provide the corporate hospitality must be properly documented, receipted and recorded in the SHESB's records.

2C(III): RECEIVING CORPORATE HOSPITALITY

As a general principle, SHESB strictly prohibits employees and directors from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise (for e.g. contractors, vendors, suppliers, service providers etc.).

Notwithstanding the above, SHESB recognises that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for employees and directors to exercise proper care and judgement before accepting the hospitality. This is not only to safeguard the company's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.

If you have any doubts on the appropriateness of a corporate hospitality offered by an external party for e.g. a contractor or supplier, you should either decline the offer or consult your HOD or Top Management. In the case of directors (executive and non-executive), you should seek the advice of your IGU.



REFER TO THE DO'S AND DON'TS BELOW:

DO'S	DON'TS
<p>✓ You must ensure that the corporate hospitality accepted from an external party is legitimate, modest and not lavish or excessive or extraordinary in nature.</p>	<p>There are certain types of corporate hospitality activities which are never permissible and you should immediately refuse if it involves the following:-</p>
<p>✓ You must exercise proper care and judgment before offering or providing corporate hospitality to third parties to ensure compliance with applicable laws and regulations, in particular when it involves public officials.</p>	<p>✗ Corporate hospitality offered by parties currently engaged in a SHESB tender or competitive bidding exercise.</p> <p>✗ Corporate hospitality offered that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the corporate hospitality provided some expected or desirable outcome is required (“quid pro quo”).</p>
<p>✓ Any corporate hospitality activities that would involve public officials shall require the prior approval of the respective Top Management.</p>	<p>✗ Any corporate hospitality activities that would be illegal or in breach of local or foreign bribery laws.</p>
<p>✓ If you have any doubts whether the corporate hospitality offered by an external party for e.g. a contractor or supplier is appropriate or reasonable in nature, you should either decline the offer or consult your Top Management.</p>	<p>✗ Corporate hospitality which is lavish or excessive or may adversely affect the reputation of SHESB.</p> <p>✗ Any corporate hospitality activities that are sexually oriented or may otherwise tarnish the reputation of SHESB.</p> <p>You must immediately decline any offers of corporate hospitality that falls within the above categories.</p>



PART 3: DEALING WITH PUBLIC OFFICIALS

3A(I): DEALING WITH PUBLIC OFFICIALS

A 'public or government official' is defined in CoBE which includes, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises other than SHESB.

Caution must be exercised when dealing with public officials as the laws of bribery and corruption in some countries are more stringent and provides for stricter punishments. Providing gift, entertainment or corporate hospitality to public officials or their family/ household members is generally considered a 'red flag' situation in most jurisdictions.

As stated in CoBE, you are prohibited from paying for non- business travel and hospitality for any government official or his/her family/household members without permission from your Head of Department in consultation with your top management or the Integrity & Governance Unit (IGU). Other SHESB policies and procedures on gift, entertainment and corporate hospitality must also be abided by, copies of which can be obtained from your Human Resource Department.

If approval is obtained for you to provide gift, entertainment or corporate hospitality to public officials, you must ensure that the gift, entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity. You must also be aware of local laws governing the activity and to ensure compliance. You should seek guidance from your Human Resource Department or Top management prior to providing any gift, entertainment or corporate hospitality to public officials.

3A(II): SHESB EMPLOYEES AS PUBLIC OFFICIALS

To prevent violations of law and underscore our commitment to ethical behaviour worldwide, you should always abide by SHESB' policies and provisions in relation to gifts (including the "No Gift" Policy), entertainment and corporate hospitality, copies of which are available from your Human Resource Department. In this regard, you are strictly prohibited from accepting gifts, entertainment or corporate hospitality that is excessive, lavish, inappropriate, illegal, or given to influence a business decision or with an understanding that, in return, some desirable outcome may be expected.

If you have any queries on this matter, you should always consult and seek further advice from your Top management.



REFER TO THE DO'S AND DON'TS BELOW:

DO'S	DON'TS
<p>✓ Do ensure that to provide or to offer to provide entertainment to public officials is lawful under local laws, as it might be deemed as bribery in certain countries or companies. If it is unlawful or if certain requirements must be met, you must ensure to fully comply with the law.</p>	<p>✗ Do not try to circumvent any laws or policies with regards to gifts and entertainment, even if it means that SHESB might lose out on business opportunities as a result.</p>
<p>✓ Do ensure that proper care and judgment is exercised to confirm that there is no conflict of interest. It is unethical to offer or provide entertainment in exchange for some future benefit or result.</p>	<p>✗ Do not be too complacent with certain public officials or local customs that you might think you are familiar with. Do not fail to check that there are no changes to local laws or company policies.</p>
<p>✓ Do ensure that due diligence is carried out to confirm that the Public Official is the appropriate person based on his/ her official position. Any entertainment extended must commensurate with the public official's official position and not based on his/her popularity, political standing or your familiarity with the public official.</p>	<p>✗ Do not approve any requests by the public official to transfer the gift or entertainment to his family members or friends that are not authorized to accept the gift or entertainment. Doing so might be perceived as bribery even with the least strict of laws or policies. Kindly advise the public official that 'transfer' of gifts or entertainment is against SHESB' policy.</p>
<p>✓ Do ensure that the entertainment provided to the public official is reasonable and modest in value, and commensurate with the official designation of the public official. This is to avoid any perception of bribery.</p>	<p>✗ Do not offer to provide gifts, entertainment or hospitality that are illegal or unduly dangerous, indecent, sexually oriented or disrespectful.</p>
<p>✓ Do ensure that any 'red flag' is resolved before giving out gift or entertainment</p>	<p>✗ Do not exceed the monetary threshold as specified in the Integrity Handbook</p>
<p>✓ Do ensure that all documentation (including invoices and receipts) are properly recorded and kept.</p>	<p>✗ Do not act on your own accord when providing entertainment to public officials. Always consult your Top management.</p>
	<p>✗ Do not conceal, alter, destroy or otherwise modify any documentation that relates to entertainment or corporate hospitality accorded to public officials.</p>



PART 4: CORPORATE SOCIAL RESPONSIBILITY (CSR), SPONSORSHIPS AND DONATIONS

As a responsible corporate citizen, SHESB is committed to contributing to the well-being of the people and nation in countries where it operates. It is however important that all Corporate Social Responsibility (CSR), sponsorships and donations are made in accordance with SHESB policies and receive prior authorization by SHESB Management or the Board.

4A: CORPORATE SOCIAL RESPONSIBILITY (CSR)

Given the nature of our business, SHESB is often asked by governments to contribute to Social Investment activities in the countries where we have operations.

As part of our commitment to corporate social responsibility and sustainable development, as a general matter, SHESB provides such assistance in appropriate circumstances and in an appropriate manner. However, such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.

The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain whether any Public Officials are affiliated with the organisation.

Any red flags must be resolved before committing any funds to the programme. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients. If you are in any doubt as to whether a charitable contribution or social benefit is appropriate, consult your Top management for assistance.

4B: SPONSORSHIPS AND DONATIONS

As set out in the CoBE, employees must ensure that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the CoBE, including in particular, the prohibition on bribery.

SHESB needs to be certain that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.



In accordance with SHESB's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:

- ✓ Ensure such contributions are allowed by applicable laws
- ✓ Obtain all the necessary internal and external authorisations;
- ✓ Be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- ✓ Be accurately stated in the company's accounting books and records;
- ✓ Not to be used as a means to cover up an undue payment or bribery;

Examples of red flags to look out for are as follows:

- ✓ The proposed recipient /organisation has affiliations with a Public Official or their relatives are involved;
- ✓ The contribution is made on behalf of a Public Official;
- ✓ There is a risk of a perceived improper advantage for SHESB;
- ✓ The proposed recipient is based in a high risk country; the request comes from a high risk country or the activity takes place in a high risk country.

SHESB requires employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from their Top management or escalate the matter to IGU to determine the authenticity of such requests.

4B(I): DUE DILIGENCE CHECKLIST

Before making a commitment to a CSR activity, sponsorship or donation requested by external stakeholders, you must first conduct proper due diligence to ensure that the requests are legitimate and that any red flags raised are resolved prior to committing the funds. The request is evaluated against SHESB' Guidelines on CSR, Sponsorships and Donations and meets the following criteria: -

1. The request does not fall under the list of activities which SHESB does not support or contribute to
2. There is no risk of a perceived improper advantage for SHESB;
3. The proposed recipient is a legitimate organisation and proper due diligence are made/ background checks;
4. The proposed recipient /organisation does not have affiliations with a Public Official.



If the request meets the above requirements and it is reasonably ascertained to be legitimate in nature, you can proceed to prepare a recommendation/memorandum seeking Management's approval as per the Limit of Authority (LOA).

If the request comes from a high risk country (countries perceived to have high levels of corruption), or the proposed beneficiary is based in a high risk country, or the activity takes place in a high risk country or the proposed recipient is Government owned or if a Government Official or their relative is involved and it is reasonably expected that a SHESB area office may have business that could be influenced by that Government.

Official or the Government Official's agency, ministry or department, a memorandum must be sent to top management for review as to whether or not the proposed investment/ sponsorship or donation should proceed and if deemed necessary, the IGU should be consulted to ensure compliance with anti-bribery and corruption laws.



REFER TO THE DO'S AND DON'TS BELOW:

DO'S	DON'TS
<p>✓ Ensure that the activity is in line with SHESB' policy and guidelines on CSR, sponsorships and donations and does not fall under the list of CSR activities which SHESB does not support or contribute to. In case of any doubts, please refer to top management.</p>	<p>✗ Do not commit any funds without first undergoing the proper processes and procedures to evaluate the legitimacy of the request.</p>
<p>✓ Ensure that the request has been carefully examined for legitimacy and that an appropriate level of due diligence has been conducted on the requesting party</p>	<p>✗ Do not try to circumvent any guidelines, rules or procedures put in place by making charitable contributions as a subterfuge for illegal payments.</p>
<p>✓ Ensure that the proposed recipient is a legitimate organisation and the funding of the CSR activity is in compliance with the applicable laws and not made to improperly influence a business outcome or perceived to provide an improper advantage to SHESB.</p>	<p>✗ Do not conceal, alter, destroy or otherwise modify any relevant information, which in the normal course of business, may raise potential red flags that would require additional investigation, particularly if it involves public officials. If you are unsure or have any concerns, please consult your Head of Department or your Human Resources Department or Top management. If the matter is still unresolved, you must ensure to escalate the matter further to IGU.</p>
<p>✓ If the request comes from a high risk country or the proposed activity takes place in a high risk country or the proposed recipient is Government owned or involves a Government Official or their relatives, the request must undergo a more stringent due diligence process to determine whether there are any red flags raised</p>	
<p>✓ Any red flags must be resolved before committing any funds to the programme.</p>	



PART 5: POLITICAL CONTRIBUTIONS

5A: POLITICAL CONTRIBUTIONS

As provided in CoBE, as a matter of general policy, SHESB does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office. 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 SHESB's books and records.

The company encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the company for a personal political contribution. As set out in the CoBE, employees are prohibited from acting on the below without first obtaining approval from their respective Top Management: -

- Using their position with SHESB to try to influence any other person (whether or not employed by SHESB) to make political contributions or to support politicians or their parties in any country;
- Make any contribution or incur any expenditure using SHESB resources to benefit any political campaign, party or politician in any country;
- The use of SHESB facilities, equipment and resources for any political campaign or party function
- Furthermore, charitable donations may not be used as a subterfuge for prohibited political payments.

Notwithstanding the foregoing, it is SHESB's policy to engage and communicate its views and position on issues of public interest that have an important impact on the company.

Employees must comply with local laws concerning lobbying in the jurisdictions in which SHESB engages in lobbying and must conduct themselves in a manner which is in accordance with local laws and consistent with the values and principles of the CoBE.



REFER TO THE DO'S AND DON'TS BELOW: -

DO'S	DON'TS
<p>✓ Be aware and educate yourself with all applicable laws and regulations in your jurisdiction that may prohibit or restrict companies from getting involved in political activities, make political contributions or engage in lobbying activities.</p>	<p>✗ You are prohibited from using your position with SHESB to try to influence any other person (whether or not employed by SHESB) to make political contributions or to support politicians or their parties without the prior approval of your Top Management</p>
<p>✓ Make clear that your political views are your own when engaging in personal political activity and it does not reflect the views of SHESB.</p>	<p>✗ You are prohibited from making any contribution or incurring any expenditure using SHESB resources to benefit any political campaign, party or politician in any country without the prior approval of your Top Management</p>
<p>✓ If you plan to seek or accept a public office, you will need to comply with the policies and procedures of the Human Resource Department in your jurisdiction.</p>	<p>✗ SHESB facilities, equipment and resources may not be used for the furtherance of any political campaigns or party functions without the prior approval of the respective Top Management</p>
	<p>✗ Charitable donations may not be used as a subterfuge for prohibited political payments.</p>



PART 6: FACILITATION PAYMENT

6A: MAKING FACILITATION PAYMENT

“Facilitation payment” is defined in CoBE as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.

SHESB prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person who is subject to the CoBE. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption. This prohibition is clearly laid out in CoBE.

All persons subject to the CoBE must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If you receive a request or if you are offered facilitation payments, you must report it to your Head of Department or the Top Management.

6B: EXCEPTION TO MAKING FACILITATION PAYMENT

There are **NO** exceptions to making any facilitation payment to any parties whether directly or indirectly.



PART 7: MONEY LAUNDERING

7A: MONEY LAUNDERING

CoBE defines money laundering as occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.

SHESB strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.

Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislation are severe and can include extradition and incarceration in foreign jurisdictions.

To avoid violating anti-money laundering laws, employees are expected to always conduct counterparty due diligence to understand the business and background of SHESB's prospective business counterparties and to determine the origin and destination of money, property and services.

Counterparty means any party that SHESB is currently in relationship with or intends to do business with in the future, either on a regular or once-off basis. Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, and any other business partners.



A number of initiatives can be taken to strengthen anti-money laundering governance, they include the following: -

1. Adequate training and compliance programs should be conducted to ensure understanding and strict compliance to any internal anti-money laundering policies.
2. Employees frequently involved in decision making process concerning counterparties particularly in matters on financial transactions should be properly acquainted with the applicable laws and regulations related to money laundering.
3. Employees should be attentive to and report suspicious behaviour by customers, consultants and business partners using proper reporting channels, in-house experts on anti-money laundering should always be consulted.
4. Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees.
5. Periodic audits should be conducted and a process should be developed to follow all available accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.



PART 8: DEALING WITH THIRD PARTIES

8A: DEALING WITH THIRD PARTIES

SHESB' dealings with third parties, which include contractors, suppliers, agents, consultants, etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of the CoBE. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated. SHESB expects that all third parties acting for or on its behalf to share the company's values and ethical standards as their actions can implicate SHESB legally and tarnish the company's reputation.

Therefore, where we engage third parties, such as contractors, agents, intermediaries, we are obligated to conduct appropriate counterpart due diligence to understand the business and background of SHESB's prospective business counter-parties before entering into any arrangements with them to ensure that we are dealing with counter-parties that subscribe to acceptable standard of integrity in the conduct of their business.

To help ensure that we only do business with third parties that share SHESB standards of integrity, we must do the following:

- Conduct due diligence to assess the integrity of SHESB's prospective business counterparties. Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
- All third parties are made aware of the SHESB Code of Conduct and Business Ethics (CoBE) and SHESB ABAC Policy and our expectations of them.
- Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance.

If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or "Red Flags" are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress.

Examples of common "red flags" can be found in Appendix I of this manual.



SHESB requires its employees to use good judgment and common sense in assessing the integrity and ethical business practices of third parties and have provided the above as a guideline.

Employees should seek advice from their Top Management or the Integrity & Governance Unit (IGU) whenever particular questions arise relating to third parties that the company has appointed or is considering appointing.

8B(I): DEALING WITH CONTRACTORS AND SUPPLIERS

In line with the general principles of the CoBE, SHESB is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities.

SHESB should avoid dealing with any contractors or suppliers known or reasonably suspected of corrupt practices or known or reasonably suspected to pay bribes.

SHESB must ensure that all procurement activities are in line with the procurement policies and procedures that are applicable in your jurisdiction, which include:

- a)** Due diligence of contractors and suppliers are undertaken before they are registered/licensed with SHESB.
- b)** Contractors and Suppliers are made aware of and understand the CoBE and that they will comply accordingly.
- c)** All commercial contracts and invitations to bid (ITBs) incorporate the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices.
- d)** In Malaysia, the General Terms and Conditions of License for contractors incorporate the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices.
- e)** All commercial contracts with major contractors and suppliers to incorporate a provision where SHESB retains the right to audit third party compliance with the CoBE and SHESB ABAC provisions.

SHESB must conduct due diligence on prospective contractors and suppliers to confirm whether or not these external parties have in place anti-bribery programmes and that they will not engage in any improper practices. Screening should be conducted on the company, its directors and top management and this can be done through the due diligence process and procedures as established in your jurisdiction. The scope and extent of the due diligence required will vary depending upon the circumstances of each proposed transaction.



SHESB should also monitor significant contractors and suppliers as part of their regular review of the performance of the third party. SHESB has the right to terminate their services in the event that these third party pay bribes or act in a manner which is inconsistent with the CoBE and ABAC Manual.

If any red flags are raised, these issues must be resolved. If it is not possible then the company must be barred from being on the list of registered or licensed contractors / suppliers and/or disqualified from participating in any SHESB tender exercise.

For further guidance on the implementation of the SHESB's ABAC Manual and the due diligence checklist for contractors and suppliers, employees should consult their respective Procurement or Top management.

8B(II): DUE DILIGENCE CHECKLIST FOR CONTRACTORS AND SUPPLIERS

SHESB in particular, the procurement function must follow the following procedures when dealing with Contractors and Suppliers: -

- Perform a risk assessment using a risk-based approach;
- Undertake due diligence on the third party depending on the level established by the risk analysis;
- Preparing and maintaining appropriate written documentation of the due diligence and risk assessment performed.

8C: MERGERS, ACQUISITIONS & INVESTMENTS

SHESB must undertake due diligence in evaluating Mergers and Acquisition transactions and investments to ensure compliance with anti-bribery and corruption laws.

Transparency International has provided a guide (<http://www.transparency.org.uk/our-work/publications/227-anti-bribery-due-diligence-for-transactions>) for companies on undertaking anti-bribery and corruption due diligence in the course of mergers, acquisitions and investments which is as follows: -

8C(I): DUE DILIGENCE – PRE ACQUISITION

1. Anti-bribery due diligence is considered on a proportionate basis for all investments but on a risk-based approach, with the level of due diligence being proportionate to the investment and the perceived likelihood of risk of bribery.
2. The level of anti-bribery due diligence for the transaction is commensurate with the bribery risks.
3. Anti-bribery due diligence starts sufficiently early in the due diligence process to allow for adequate due diligence to be carried out and for the findings to influence the outcome of the negotiations or stimulate further review if necessary.



4. The partners or board provide commitment and oversight to the due diligence reviews.
5. Information gained during the anti-bribery due diligence is passed on efficiently and effectively to the company's management once the investment has been made.

8C(II): DUE DILIGENCE – POST ACQUISITION

- To conduct due diligence on a proportionate basis immediately after purchase to determine if there is any current bribery and if so, takes immediate remedial action.
- To ensure that the target has or adopts an adequate anti-bribery and corruption programme equivalent to its own.
- Bribery detected through due diligence is reported to the authorities.

8C(III): WHAT TO LOOK FOR IN ANTI-BRIBERY DUE DILIGENCE

- Has bribery taken place historically?
- Is it possible or likely that bribery is currently taking place?
- If so, how widespread is it likely to be?
- What is the commitment of the board and top management of the target to countering bribery?
- Does the target have in place an adequate anti-bribery programme to prevent bribery?
- What would the likely impact be if bribery, historical or current, were discovered after the transaction had completed?

8D: JOINT VENTURE PARTNERS

In view of the possibility that SHESB may be held responsible for the illegal activities of its potential co-ventures, we need to ensure that Joint Ventures in which SHESB has a controlling interest adopt the SHESB Anti-Bribery and Anti-Corruption Policy and Guidelines (“ABAC Manual”). Where SHESB neither controls nor operates the Joint Venture (JV) or where SHESB holds a minority interest, we should:

- Make reasonable efforts to influence the JV Partner to adopt the ABAC Manual (or substantially equivalent standards and principles) and to comply with all applicable Anti-Bribery and Anti-Corruption laws and to establish controls substantially similar to SHESB standards to prevent bribery;
- Be alert to warning signs which may arise in the conduct of the business. Any such warning signs must be reported to the Top management or the Integrity & Governance Unit (IGU) and appropriate action to be taken; and
- Require (or where this right does not formally exist, request) that the majority partner or JV entity to provide written representation of anti-bribery compliance on an annual basis.



PART 9: RECRUITMENT OF EMPLOYEES

9A: RECRUITMENT OF EMPLOYEES

SHESB, being a diversified business entity, provides equal opportunity for any qualified and competent individual to be employed by the company from various multicultural and multiracial background, sourced from both SHESB sponsorship programme and externally, local and internationally.

The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.

In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.

If you find or suspect that another person subject to this policy has violated or about to violate this policy or applicable law, whether deliberately or inadvertently, you must forthwith report the same, in writing, to your Head of Department or your Human Resource Department



REFER TO THE DO'S AND DON'TS BELOW: -

DO'S	DON'TS
<p>✓ Do ensure that the due process and procedure are carried out based on the approved selection criteria when recruiting new employees. This is to avoid any allegations of bribery and corruption.</p>	<p>✗ Do not recruit an employee without undergoing the proper process and procedures set by SHESB to ensure that there is no perception of bribery or corruption.</p>
<p>✓ Do ensure that due diligence is carried out to confirm that the candidate is the suitable person based on eligibility criteria and/or other prerequisites, rules and guidelines.</p>	<p>✗ Do not try to circumvent any guidelines, rules or procedures when selecting new employees as it might put you and SHESB in trouble in the event of any bribery allegation.</p>
<p>✓ Do ensure that relevant approvals are obtained from the respective Approving Authority prior to issuance of an offer letter.</p>	<p>✗ Do not try to conceal any information where you think that there might be a conflict of interest. If you are unsure, please consult your Head of Department, HR or Top management.</p>
<p>✓ Do ensure that if the candidate to be employed has a family/household relationship to a SHESB staff or director, it is properly recorded and is being made transparent.</p>	<p>✗ Do not arbitrarily award rights, entitlements and benefits. The value and types of rights, entitlements and benefits must be based on the guidelines prepared by SHESB.</p>
<p>✓ Do ensure that all rights, entitlements and benefits given to the candidate are reasonable in value.</p>	<p>✗ Do not fail to give particular attention to any laws, guidelines or policies when a public official is involved, as some countries might impose particular requirements. Always consult your Head of Department, HR or Top management.</p>
<p>✓ Do ensure that all rights, entitlements and benefits given to the candidate are reasonable in value.</p>	<p>✗ Do not conceal, alter, destroy or otherwise modify any documentation.</p>
<p>✓ Do ensure that all documentations (including invoices and receipts) are properly recorded and kept.</p>	



PART 10: SHESB WHISTLEBLOWING POLICY

10A: SHESB WHISTLEBLOWING POLICY

SHESB encourages openness and transparency in its commitment to the highest standard of integrity and accountability. If you make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken.

In addition, employees who whistleblow internally will be also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable. Further details can be found at SHESB Whistleblowing Policy at <http://www.steelhawk.com.my/>

10B: PROCEDURAL MATTERS

10B(I): CONSEQUENCES OF A BREACH

Adherence to this Policy and Guidelines is critical to the smooth running of its business or enterprise and is for the common good of SHESB and its employees. Any conduct which is not in accordance with the principles set out in this Policy and Guidelines will be dealt according to CoBE and other applicable local laws.

10B(II): HOW TO MAKE A REPORT ON ANY BREACH

Any alleged or suspected improper conduct must be disclosed using the procedures provided for in the SHESB Whistleblowing Policy as adopted for your jurisdiction, a copy of which is available from your Human Resource Department. Detailed procedures on whistleblowing can be obtained at <http://www.steelhawk.com.my>

10B(III): FURTHER CLARIFICATIONS

Should you require further clarification with regards to this Policy and Guidelines, depending on the subject concerned, you should consult your Human Resource Department or Top management or your Head of Department.

If you require additional information or clarification, please email your queries to the Integrity & Governance Unit (IGU), IGU@steelhawk.com.my.



10B(IV): REGISTERING ANY CONFLICTS OF INTERESTS, GIFTS AND CORPORATE HOSPITALITY

All conflicts of interests (potential or real) and matters related to giving or receiving gifts / entertainment / corporate hospitality will be registered according to the policies and procedures of the Human Resource Department. Please liaise with your Human Resource personnel for further information on the procedures for registration.

SHESB reserves the right to amend this policy and guidelines.



PART 11:

APPENDICES

APPENDIX I: POTENTIAL RISK SCENARIOS – “RED FLAGS”

APPENDIX II: GIFT, ENTERTAINMENT & HOSPITALITY DECLARATION

APPENDIX III: THIRD PARTY DECLARATION

APPENDIX IV: DUE DELIGENCE CHECKLIST

APPENDIX V: PROCEDURES OF STEEL HAWK WHISTLEBLOWING POLICY

APPENDIX VI: STEEL HAWK WHISTLEBLOWING POLICY



POTENTIAL RISK SCENARIOS – “RED FLAGS”
Document No: DC-F15

Date: December 2020

Rev: 0

Page: 1 of 1

APPENDIX I: POTENTIAL RISK SCENARIOS – “RED FLAGS”

Potential Risk Scenarios – “RED FLAGS”

This Schedule contains a list of possible risk scenarios which may arise during the course of business.

This is not an exhaustive list and is for illustrative purpose only.

Please report immediately (per Whistleblowing Policies & Procedures) should you encounter any of the possible risk scenarios below:

- (a) Being aware that a third party is engaged in or has been accused of engaging in improper business activities / practices;
- (b) Discovering that a third party pays bribes or requires bribes to be paid to them for business dealings with them;
- (c) A third party insists on receiving commission or fee for payment before committing to sign up to a contract with us or carrying out a government function with us;
- (d) A third party requests payment in cash or refuses to sign a formal agreement or to provide an invoice or receipt for a payment made;
- (e) Requests from a third party to make payments to a country or jurisdiction different from where the third party resides or conducts its business;
- (f) A third party requests unexpected additional fees or commission to facilitate a service;
- (g) Demands of lavish entertainment or gifts before commencing or continuing with the contractual agreement or provision of service;
- (h) Requests from third party to overlook potential legal / regulatory violations;
- (i) Requests to provide employment or some advantage to the third party’s friend or relative;
- (j) Receiving an invoice from a third party which appears to be not customized to company standards;
- (k) Refusal by the third party to put terms in writing;
- (l) Invoice not reflecting the service provided;
- (m) Requests to use the services of an agent, intermediary, consultant or supplier not typically known or used by the Company; and/or
- (n) The offer of an unusual generous gift or lavish hospitality by a third party



	GIFTS, ENTERTAINMENT & HOSPITALITY DECLARATION Document No: DC-F16		
	Date: December 2020	Rev: 0	Page: 1 of 1

APPENDIX II: GIFTS, ENTERTAINMENT & HOSPITALITY DECLARATION

Gifts, Entertainment and Hospitality Declaration Form

Employee Name:	
Position:	
Department:	
Date:	

GIFTS, ENTERTAINMENT OR HOSPITALITY TO DECLARE				
ITEM	DESCRIPTION OF ITEM	ESTIMATED/ ACTUAL VALUE	GIVEN BY (GIVER NAME AND ORGANISATION)	REMARKS
1.				
2.				
3.				
4.				
5.				

ADMINISTRATIVE			
CEO/CTO/COO REMARK		SIGNATURE NAME DATE	
CEO/CTO/COO REMARK		SIGNATURE NAME DATE	



THIRD-PARTY DECLARATION
Document No: DC-F17

Date: December 2020

Rev: 0

Page: 1 of 1

APPENDIX III: THIRD-PARTY DECLARATION

Third-Party Declaration Form

Company Name: _____
Company Address: _____
Key Contact Person: _____
Contact Number: _____
Relationship with the Group: _____

I/We are fully aware that Steel Hawk Engineering Sdn Bhd (SHESB) are committed to acting professionally, fairly and with integrity in all of its business dealings and relationships wherever it operates to counter bribery and corruption. As such, I/ we hereby declare and confirm that I/we have read and viewed the ABAC Handbook obtained from SHESB’s website www.steelhawk.com.my.

I/we confirm that to our best of knowledge, I/we have not been convicted nor are subject to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and I/we undertake to report to the Group any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law immediately upon our knowledge of the same.

I/we declare and confirm that we do not create any false documents and all documents submitted are true and reflect in a transparent way our cooperation with to SHESB. I/ we further declare and confirm that I/we shall not offer, give, solicit or accept any bribe or form of bribe during the course of our engagement or engage in any transaction that contravene the Malaysian Anti-Corruption Commission Act 2009, any applicable anti-bribery or anti-corruption legislation, by-laws, rules and regulations (“MACC laws”) as may be imposed by the relevant authorities and/or internal policies.



THIRD-PARTY DECLARATION
Document No: DC-F17

Date: December 2020

Rev: 0

Page: 1 of 1

In the event I/we are in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, we understand that SHESB shall take the necessary actions against us and I/we shall fully indemnify SHESB against any claims, fines, losses and/or damages suffered by SHESB arising from and out of our breach herein.

In the event that I/we are aware or suspect any person in SHESB who had/may be in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, I/we shall inform SHESB immediately through their whistleblowing channel at steelhawk-wb@bdo.my and we will fully collaborate with the Group for any request of information, documents or assistance arising from the investigation of such breach.

I/we acknowledge that the provisions set out in this declaration form shall form part of the terms and conditions of our cooperation and hereby acknowledge that SHESB has the right to suspend or terminate our cooperation and disqualify us from tendering for future contracts/ jobs if we were found to have breached the requirements or any other terms and conditions by implemented by SHESB.

Signature of Authorised Person: _____

Name of Company's Authorized Person: _____

Company's Name: _____

Date: _____

Company's Rubber Stamp: _____



	DUE DILIGENCE CHECKLIST Document No: DC-F18		
	Date: December 2020	Rev: 0	Page: 1 of 1

APPENDIX IV: DUE DILIGENCE CHECKLIST

Tick (✓) whether YES or NO on the Due Diligence Checklist below. In the event the answer to any of the checklist below is NO then the respective HOD or top management has to be satisfied that all of the red flags are sufficiently mitigated.

No.	DESCRIPTION	YES	NO
Beneficial ownership			
1.	Is the third party a government / public body?		
2.	The owners, directors, shareholders, officers or any employees of the third party being is current or former government / public body?		
3.	The third party is recommended by a government / public body?		
Competency of the third party			
4.	The third party have NO experience of the industry where the services will be provided.		
5.	The third party have NO qualifications to provide the services required under the contract		
6.	The third party is NOT charging a fair market price for their		
7.	The third party have NO business presence in the country where the services are to be provided?		
8.	The value of the contract secured is NOT reasonable		
9.	The third party was selected in a NON transparent way		
Financial background and Payment of Contract			
10.	Are there any payments that are not transparent where it is not clear who the payment is being paid to or why?		
11.	Is there anything unusual about the frequency of payments?		
12.	Is there anything unusual in the value of payments?		
13.	Are there any urgent requested for payments or unusually high commissions?		
14.	Are there any request for payments to be made in cash, to a third party, or to different country?		
Public Record Resources: History of Corruption and Adverse News			
15.	There are concern or evidence of corruption (conviction)		
16.	Are you aware of any allegations of criminal activity against the third party or any of its employees?		
Reputation: Consulting Commercial References			
17.	There are suspicion that third party is not honest in its business		
18.	The third party do not have anti-corruption policies		
19.	The third party refuse to provide the third-party declaration		



DUE DILIGENCE CHECKLIST
Document No: DC-F18

Date: December 2020

Rev: 0

Page: 1 of 1

Assurance Declaration

I herewith confirm the following:

- 1) **I have conducted the above due diligence to carefully evaluated (Company Name) _____ and I will continuously monitor the activities and undertakings through out the duration of the company cooperation with the third party.**

Signature of Employee: _____

Name: _____

Date: _____



PROCEDURES OF STEEL HAWK WHISTLEBLOWING POLICY

Any employee or member of the public who has knowledge or aware of any improper conduct (misconduct or criminal offence) committed or about to be committed within **STEEL HAWK** is encouraged to make disclosure by following the procedures as stated in this document.

Reporting Channels

Disclosures can be made to ANY of the following reporting channels, in strict confidential manner:-



Email to steelhawk-wb@bdo.my;



Online submission through website (www.bdoethics.com);



In person to Head of Integrity & Governance Unit using the prescribed Whistleblowing Form;

Disclosure of Identity

In order to enable the Company to accord the Whistleblower with the necessary protection under the Policy and also to obtain more details pertaining to the disclosure, the Whistleblower is required to disclose his/her personal details as follows:-

- i. Name;
- ii. NRIC No.;
- iii. Contact Details- Office Contact /Mobile/Home

These personal details will be kept confidential.

Scope of Reporting

Any improper conduct (misconduct or criminal offence) including but NOT limited to the following:

- Fraud;
- Bribery;
- Abuse of Power;
- Conflict of Interest;
- Theft or embezzlement;
- Misuse of Company's Property;
- Non Compliance to Procedure.

Only genuine concerns should be disclosed. The Whistleblower is responsible to ensure that the disclosure is made in good faith and free from any malicious intent. In addition, any disclosure which is found to be frivolous or vexatious will not be entertained.

If the investigation later revealed that the disclosure was made with malicious intent, appropriate action can be taken against the Whistleblower.

The Whistleblower who wishes to withdraw his/her disclosure is required to write to the relevant Reporting Channel and provide reason(s) for the withdrawal. Nevertheless, the Company reserves the right to proceed with investigation on the subject matter of the disclosure.

Subject to Section 17A (5) GL as Regulation passed by Minister, it shall apply in any consequences of Bribery, *failure to report*, if any, shall constitute as a serious misconduct and offence and shall be subjected to the provision of MACC Act 2009.

Content of the Disclosure

Any disclosure made herein should contain the following information:

- Details of the person(s) involved;
- Details of the allegation
 - Nature of the allegation;
 - Where and when the alleged misconduct/wrongdoing took place;
- Other relevant information; and
- Any supporting evidence if available.

Protection Accorded to the Whistleblower

A Whistleblower will be accorded with protection under the Policy provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the Whistleblower is mistaken as to the facts and the rules and procedures involved.

The protection to the Whistleblower can be revoked under the following circumstances, among others:-

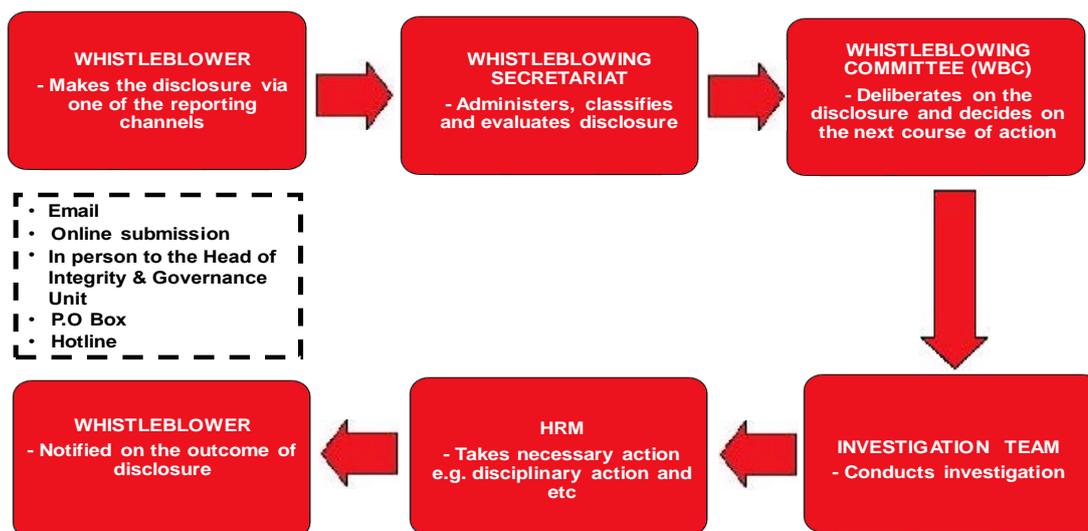
- the Whistleblower participated in the improper conduct;
- the Whistleblower wilfully discloses a false statement;
- the disclosure is made with malicious intent; or
- the disclosure is frivolous or vexatious.

Notification on the Outcome of the Disclosure

The Whistleblower will be notified on the outcome of his/her disclosure.



Process of Making Disclosure



STEEL HAWK reserves the right to amend the procedures contained in this document from time to time.



STEEL HAWK WHISTLEBLOWING POLICY

Policy Statement

STEEL HAWK is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

Recognizing the abovementioned values, **STEEL HAWK** provides avenue for all employees of **STEEL HAWK** and members of the public to disclose any improper conduct within **STEEL HAWK**.

Objective of the Policy

This policy is to provide an avenue for all employees of **STEEL HAWK** and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public who report such allegations.

Subject to Section 17A (5) GL as Regulation passed by Minister, it shall apply in any consequences of Bribery, *failure to report*, if any, shall constitute as a serious misconduct and offence and shall be subjected to the provision of MACC Act 2009.

Scope of the Policy

This policy is designed to facilitate employees and members of the public to disclose any improper conduct (misconduct or criminal offence) through internal channel. Such misconduct or criminal offences include the following:

- i. Fraud;
- ii. Bribery;
- iii. Abuse of Power;
- iv. Conflict of Interest;
- v. Theft or embezzlement;
- vi. Misuse of Company's Property;
- vii. Non Compliance with Procedure

The above list is not exhaustive and includes any act or omissions, which if proven, will constitute an act of misconduct under **STEEL HAWK** Code of Conduct and Business Ethics (CoBE), Integrity Handbook, Employee Handbook or any criminal offence under relevant legislations in force.

This policy is not to invalidate the Grievance Procedure and/or the Disciplinary Action Process and Procedures (DAPP) but to provide more avenues for employees and members of the public to disclose improper conduct committed or about to be committed to the Company. The given procedures as reflected in the Collective Agreements, Employee Handbook and CoBE shall be operative based on the purpose and objective of their existence.

Applicability of the Policy

Subject to the requirement of applicable local jurisdiction, this policy applies to all employees of **STEEL HAWK**. This policy also applies to members of the public, where relevant including but not limited to **STEEL HAWK** suppliers, subcontractors and service providers.

Procedure in Making a Disclosure

All disclosures are to be channelled in accordance with the procedures as provided under this policy.

Protection to Whistleblower

A whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. In addition, an employee who whistleblows internally will also be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within **STEEL HAWK**, to the extent reasonably practicable, provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts and the rules and procedures involved.

Anonymous Whistleblower

Any anonymous disclosure will not be entertained without evidence attached in their report. Any employee or member of the public who wishes to report improper conduct is required to disclose his identity to the Company in order for the Company to accord the necessary protection to him. **However, the Company reserves its right to investigate into any anonymous disclosure.**

Notification

Upon the completion of the whistleblowing process and procedures, the whistleblower will be accorded the privilege to be notified on the outcome of the disclosure.

STEEL HAWK reserves the right to amend this policy from time to time.



STEEL HAWK ENGINEERING SDN BHD (1019338-X)
23-2, BLOCK H,
JALAN PJU 1/37,
DATARAN PRIMA,
47301, PETALING JAYA,
SELANGOR, MALAYSIA
website: www.steelhawk.com.my
TEL: +603 7880 7818
FAX: +603 7880 7535