

**FITTERS DIVERSIFIED BERHAD**  
(Registration No. 198601000595 (149735 –M))

**ANTI-CORRUPTION AND BRIBERY POLICY**

**1. INTRODUCTION**

This Anti-Corruption and Bribery Policy (“**Policy**”) is to prevent the occurrence of corruption and bribery practice in relation to the businesses of FITTERS Diversified Berhad (“**the Company**”) and its subsidiaries (collectively referred to as the “**Group**”). The Group conducts its business in a legal and ethical manner. The Group will ensure its businesses or any transactions do not participate in corruption activity for its advantages or benefits.

**2. SCOPE**

The Policy requires all employees (including permanent, probationary, contract and temporary in nature) and Directors of the Group to be committed to act professionally with integrity in their business dealings.

**3. OBJECTIVES**

The Policy is set to provide information and guidance to the Board of Directors (“**the Board**”), senior management team and employees of the Group on the overall position on bribery and corruption that may occur. For all intents and purposes, the Board, senior management team and employees shall ensure compliance with all applicable laws at all times when carrying out their duties, for and on behalf of the Group.

**4. RESPONSIBILITY**

The Policy is applicable to all members of the Board, senior management team and employees (either permanent, probationary, contract or temporary in nature) of the Group. The Policy needs to be read and understood clearly by all the employees. Disciplinary action will be taken including termination of employment for violation of the Policy. Employees would be required to sign a Letter of Indemnity to indemnify the Group in the event of their individual violation of the Policy.

**5. COMPLIANCE TO THE LAW**

The Group complies with all applicable law including the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act**”) and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 or any amendments thereto.

In order to ensure compliance with the amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Anti-Corruption Measures, the Group also complies with new provision under Section 17A(5) of the MACC Act.

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**6. DEFINITIONS**

**Corruption** is the abuse of position for personal gain or misuse of position to help others to improperly enrich themselves.

**Bribery** is the most common form of corruption and it can be broadly described as the offering, promising, giving, accepting or soliciting of an advantage as an inducement of any action which is illegal or a breach of trust in order to gain personal or other advantage. It can be in the form of cash and other forms including non-cash gifts, lavish entertainment or hospitality, loans, fees or other reward or benefit.

**7. ANTI-CORRUPTION AND BRIBERY**

**a. Gifts, Hospitality and Entertainment**

Gifts and entertainment given and received as a reward, inducement or encouragement for preferential treatment or any other advantage, or inappropriate or dishonest conduct are strictly prohibited.

Gifts or entertainments may only be presented to a third party only in the situation that it is consistent with the customary business practice, and that the gifts or entertainment are humble in value and cannot be interpreted as inducements to trade. Guidance from the Management must be sought if there is any doubt regarding this issue.

If employees use good judgment and act with moderation, the occasional exchange of entertainment and gifts of nominal value may be appropriate, as long as such courtesies are not specifically intended to influence any procurement or sales decisions. Whenever they are involved in the exchange of business courtesies, they must comply with the following standards:

- i. Any entertainment offered or accepted should be a reasonable extension of a business relationship. It should occur infrequently and be modest in nature. If such entertainment becomes a regular feature or in the event that entertainment exceeds a reasonable scale, then employees are advised and urged to report such incidents to higher management of the Group. For avoidance of doubt, an occasional meal/dinner is acceptable but lavish entertainment or a paid holiday is not.
- ii. The Group does not encourage the giving of gifts or the provision of gratuitous services by the Group's contractors or their sub-contractors, suppliers, bankers, dealers, advocates and solicitors to its employees. However, the Group recognizes that during certain festive seasons, it is the custom for third parties to hand out gifts to its employees, including but not limited to T-shirts, calendars, diaries and planners, which have nominal monetary value. For avoidance of doubt, gifts should generally be valued at less than RM500. When offered a gift exceeding RM500, an employee must report promptly to his/her supervisor.

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**b. Facilitation Payments**

Usually small bribe payments made directly or indirectly to secure or speed up performance of a routine or to avoid bureaucratic delays and red tapes that may slow down certain business dealings.

In any case, employees must not pay, offer, solicit or receive bribes of any forms including facilitation payments. Employees must immediately notify their immediate superior for consultation.

**c. Political Contribution**

In respect of political contributions, funds or resources of the Group must not be used to make any direct or indirect political contributions on behalf of the Group without approval from the Managing Director of the Company. Any appearance of making such contributions or expenditure to any political party, candidate or campaign, must also be avoided.

**d. Donations and Sponsorships**

Donations and sponsorships in the form of charity or educational may be permissible depending on the circumstance but should be made directly to an official entity and be able to be disclosed publicly when required to. Donations and sponsorships must be made with the approval of the Managing Director of the Company.

**8. CONFLICT OF INTEREST**

A conflict of interest arises where a personal interest that might be considered to interfere with a person's objectivity in performing or exercising duties/judgement on behalf of the Group. All parties should avoid situations in which personal interest could conflict with their professional obligations or duties.

Employees shall declare their interest and withdraw from taking any action or participating in any decision-making process in matters where they have or potentially have a conflict of interest.

**9. THIRD PARTIES AND AGENCIES**

All third parties, including agents, consultants, contractors or sub-contractors, suppliers and joint venture partners should be made aware of the Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

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**10. PROCUREMENT PROCESS**

- 10.1 The Company has Standard Operating Procedure that adheres to the system of internal controls around supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. When supplier selection is formal where structured invitation for the supply of goods and services (often called a “tender”) is required, it is of utmost importance to maintain proper documentation in supporting the internal controls.
- 10.2 A tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality.
- 10.3 Due diligence of new suppliers in supplier selection should include elements of corruption including bribery.
- 10.4 Particularly, no gifts, hospitality or entertainment may be given or accepted during a crucial process such as contractual negotiations or tender processes if there is any realistic risks that giving and acceptance of such articles could very well manipulate and influence the outcome of such processes and negotiations.

**11. RECORD-SAFEKEEPING**

All records should be in proper filing to be maintained with accuracy and completeness for all payments made to third parties in the ordinary course of business, which would serve as proof or evidence that such payments not linked to corrupt and/or unethical manner.

All Directors, senior management team and employees must ensure that all expenses relating to gifts, hospitality and entertainment expenses incurred are submitted in accordance with the Group’s expense policy and record the reason for such expenditure.

**12. REPORTING**

Employees should report any cases of wrongdoing or a violation of the Policy and are encouraged to report to their supervisors, managers, Head of Divisions or Head of Human Resource about any known or suspected illegal or unethical behaviour. Employee who produces genuine report on the violation or suspected violation will not be discriminated against suffer any sort or manner of retaliation.

The Group shall make every effort to maintain the confidentiality of any individual who reports concerns and possible misconduct. The only exception to this assurance relates to an overriding legal obligation to breach confidentiality. The Group is obligated to reveal confidential information relating to a whistle-blowing report, if ordered to do so by a court of law.

All employees shall refer to and adhere to the Whistle Blower Policy and Procedures and to use Whistleblower Report Form to report their concerns.

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**13. TRAINING AND COMMUNICATION**

The Group shall conduct awareness and training programme for all its employees on the Group's position regarding anti-bribery and corruption, integrity and ethics.

The Policy will be presented to the Board during Board Meeting and Head of Divisions during Executive Committee meeting. Head of Divisions will further communicate the Policy to their management team and colleagues during Monthly Management Meeting. The Policy will also be made available to all employees through the Group's email communication system.

**14. AUDIT AND COMPLIANCE**

Internal control systems and procedures will be subjected to audit to provide assurance that the Policy is effective in countering corruption and bribery. Such audits may be conducted through Internal Audit function or by an external party.

**15. MONITORING AND REVIEW**

The Board will monitor compliance with the Policy through its internal audit function and review the Policy as needed to assess its effectiveness and ensure that it continues to remain relevant and appropriate.

The Board reserves the rights to all amendments, deletions or augment any terms and conditions or any part of the Policy when necessary including the use of an additional form, should there be a need to develop one.

Dated: 28 May 2020