



YOKOHAMA INDUSTRIES BERHAD

GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. Introduction

Yokohama Industries Berhad('YIB') and its subsidiaries (collectively, 'the Group') have always been proactive in promoting good corporate governance and ensures that the principles and best practices of good governance are practiced throughout the Group. We are also committed to operate and conduct our business with integrity in a fair, trustworthy, open, honest, transparent manner, responsible and free of corruption.

The directors of YIB and the Group are committed to ensure that the Group practices the highest level of integrity and ethics; and complies fully with the applicable laws and regulatory requirements on anti-corruption. The Group practices a zero-tolerance approach against all forms of bribery and corruption, and upholds all applicable laws in relation to anti-bribery and corruption.

This Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") provide a clear statement of the conduct to foster the growth of a business environment that is free of corruption, and to ensure our businesses do not participate in corrupt activities and comply with all applicable laws and regulations. This ABAC Policy set out the parameters including the main principles, policies and guidelines, which the Group adopts in relation to anti-bribery and corruption.

This ABAC Policy is intended to be an additional Policy. The existing Policies for YIB and the respective subsidiary remain applicable and binding on each of the employees of YIB and the respective subsidiary.

All our employees, suppliers, partners and those working in joint ventures that we operate, are expected to understand and work in line with the principles outlined in the ABAC Policy.

2. Objective

As part of the Group's commitment against all forms of bribery and corruption, the Group is committed to comply with Malaysian Anti- Corruption Commission Act 2009 (Act 694)("MACCA") to prevent to occurrence of corrupt practices in relation to our daily business activities.

3. Applicability

This Policy is applicable to all directors, personnel, officers and employees of the Group, including those who are full time, probationary, contract and temporary employees (collectively referred to as "**Employees**"). The Group expects all third parties such as contractors, sub-contractors, consultants, agents, representatives and other persons or entities performing services or work for or on behalf of the Group to comply with this Policy.

4. Definitions

“**Bribery**” and “**Corruption**” refer to the promising, offering, giving, accepting, soliciting or receiving gratification or of an undue advantage of any value (financial or non-financial), directly or indirectly, and irrespective of location, in violation of applicable law, as an inducement or reward for a person to act or refrain from acting in relation to the performance of the person's duties, or to or not to do an act in relation to the person’s principal affairs or in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organization.

5. Gifts, Hospitality and Entertainment

Gifts, hospitality and entertainment in the normal course of business may be part of the culture of Malaysian. The Group recognizes that providing modest hospitality and entertainment in a legitimate way is a common practice within the industry and business environment to foster good business relationships. However, gift, hospitality and entertainment may only be permissible if it is legal, appropriate, sufficiently modest, reasonable, justifiable and acceptable in the normal course of business. For example, considerations such as the intention and timing, transparency, frequency, compliance with the other party's policies and rules and the legality of such gift, hospitality and entertainment may be relevant factors.

It is important to note that certain gifts, hospitality and entertainment may cause improper influence, or appear or be perceived to cause improper influence. Such gifts, hospitality and entertainment may even be seen as a bribe and may adversely tarnish the reputation of the Group. As example, the following gifts, hospitality and entertainment (collectively referred to as “**GHE**”) are strictly prohibited:

- GHE that is illegal or in violation of any laws, regulations or rules;
- GHE involving parties currently engaged in a tender or competitive bidding process;
- GHE which is offered or received in return for illegitimate or illegal purpose;
- GHE paid for personally to avoid having to declare or seek approval for;
- GHE that may appear or be perceived as influencing or compromising the judgment, business decision or objectiveness of the recipient;
- GHE that may even be seen as a bribe and may adversely tarnish the reputation of the Group;
- GHE that comes with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required in return;
- GHE should not be offered or received immediately before or after, or during the negotiations of business decision;
- GHE that is exorbitant and not acceptable in the normal course of business;

Gifts made in cash or cash equivalent i.e. anything that can be easily converted to cash is strictly not permissible, unless it is due to customary event such as wedding etc and

provided that it is not exorbitant, and it is as a result of a specific occasion (and not frequently), transparent, justifiable and legitimate in nature.

In the spirit of transparency, any Employee who receive or aware of any offer of gift which, for example:

- are not usually acceptable in the course of business;
- would be perceived as lavish or excessive or may adversely tarnish the reputation of the Group;
- uncommon within the industry and business environment;
- strictly prohibited as stated above;
- contravene the law; or
- against this ABAC Policy

must report to Human Resource Department immediately.

6. Donation and Sponsorships

The Group may make a charitable donation (which does not violate any applicable law) subject to management approvals and is appropriate in all the circumstances. All requests for donation and sponsorship must be made in writing and must be furnished with supporting documents before such requests are presented for approval.

All donations or sponsorships, if approved, must be made openly (and not in secret), and are to be made to beneficiaries in a transparent way and not made to improperly influence a business or regulatory outcome or as a means to cover up and undue payment bribery or create any conflict of interest or does not violate any applicable law.

7. Political Donations

The Group must not make or offer monetary or in-kind political contributions to political parties, political officials or candidates for political office.

8. Facilitation Payments

Facilitation payments, whether directly or indirectly, are illegal or unofficial payment or gratifications which is strictly prohibited under the MACCA. The Group prohibits the giving, offering, or promising of facilitation payment of all kinds by either Personnel or Business Associates acting on behalf of the Group. Employees are strictly disallowed from accepting, receiving or requesting such payments whether in cash or in kind.

9. Third party

All Third Parties who have dealings with the Group are expected to comply with this ABAC Policy, in line with the Group's commitment against all forms of bribery and corruption.

10. Procurement

The Group procurement process is guided by principles of economy, integrity, transparency, competition, fairness and sustainability. Employees who are involved in procurement activities are required to adhere to the respective established procedure by YIB or each respective subsidiary.

11. Anti-Bribery and Corruption Compliance Function

Compliance of this Policy is constantly being monitored by the Group, and/or audits which may be conducted at regular intervals and when deemed necessary.

12. Training

The Group may conduct awareness programmes for the Employees on the Group's position and practices regarding anti-bribery and corruption, integrity and ethics. Training may be provided on a regular basis, in accordance with the level of bribery and corruption risk related to the position and function.

13. Reporting of Policy Violations

All Employees as well as Third Parties are encouraged to report any real and/or suspected bribery and corruption transactions in accordance with the process set out in the Whistle Blowing Policy, and/or to be directed to the HR Department (at hrdepartment@yokohama.my), or the Head of the Company, as the case may be. It is the Group's policy that all reports, complaints or disclosure made shall be kept strictly confidential. Anyone who makes a report, complaint or disclosure in good faith shall be protected from any retaliation and discrimination, regardless of the investigation outcome. Each Employee has a responsibility to ensure that suspected bribery and corruption incidents are reported promptly.

14. Record-Keeping

To prevent the possibility of bribes, corruption and/or unethical conduct, all invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be maintained with accuracy and completeness in accordance the requirement of the prevailing law.

15. Review of the Policy

The Group reserves the right to review the Policy from time to time to ensure the effectiveness, remain relevant and appropriated.

The Group treats any non-compliance and/or violations of this ABAC Policy and all applicable laws seriously. Any Employees found to be non-compliant or in violation of this ABAC Policy or any applicable laws may be subject to disciplinary action, including termination of employment.