

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1.1 Introduction

The Group's Anti-Bribery and Anti-Corruption Policy ("Policy") serves as a guide to foster important relationship with stakeholders and for the Group to provide support to communities.

Kawan prioritises on donations, sponsorships and gifting that is aligned to its values and objectives. Receiving and giving, promising or offering to give sponsorships, donations, hospitality or gifts which are deemed inappropriate or **strictly prohibited**:

- which is not aligned with the Company's image;
- which would be illegal or in breach of local or foreign bribery and corruption laws
- which involves personal interest;
- which involves political elements;
- which does not directly support community needs.

The Group has established a Code of Ethics & Conduct which sets out standards of conduct and ethical behaviour which all employees are required to adhere to.

1.2 Purpose

The purpose of this Policy is to set out principles and clear procedures for all donations, sponsorships, hospitality and gifting activities of the Group.

This Policy also provides guidance to all employees on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise during in the course of their employment.

1.3 Scope

This Policy applies to all employees of Kawan Food Berhad and its subsidiaries.

2.0 Definition

Approved Value	The commercial value of services and/or object not exceeding RM500 (Malaysia), RMB1,000 (Nantong, China) and USD1,000 internationally to be ascertained only in exceptional circumstances.	
	Malaysia	The commercial value is RM500 or less only.
	China	The commercial value is RMB1,000 or less only.
	USD	The commercial value is not more than USD1,000.

	These approved values apply to items per recipient basis.
Donation(s)	Financial support/contributions given by the Company to organisations or individuals such as financial/gift/in-kind contributions to charitable organisation with no expected returns
Employees	any person who is in the employment of Kawan but not limited to all directors, secretaries, contract workers on direct hire.
Expenses	Provision or reimbursement of travel and other related expenses incurred by customers or distributor partners
EC	Executive Chairman
Family	employee's spouses, children, parents, siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews as well as others who are members of their family. These includes those adopted and step family members.
Facilitation Payment	Payments made to secure or expedite the performance by an employee to perform a routine or administrative function.
Gift(s)	Acts of giving and receiving gifts in anything of value including goods, money, property, travels, loans, services and other benefits which is not part of the usual business activity.
HOD	Head of Department
Hospitality	Provision of entertainment, food and beverages (such as business lunches & dinners, corporate events and activities including but not limited to sporting events, annual dinner, concert or other activity being given to initiate or foster relationship with third parties or customers,
HR	Human Resource
Kawan	Kawan Food Berhad
Kawan Group or the Group	Kawan Food Berhad and its subsidiaries;

Prohibited Gift(s)	Accepting Gift(s) is prohibited with the following intention which sets out in Section 6.1 for further clarifications.
Person(s) Associated	Any person(s) who perform services for or on behalf of the Group (eg consultants, lawyers, contractors, distributors, stockists etc)
Sponsorship(s)	Financial support/contributions given for projects, events or activities, in return for an opportunity to promote the Group's name, image, reputation, products and services.

3.0 Roles, duties and Responsibilities

3.1 Board of Directors (Board)

The Board has a responsibility to approve the Policy and oversee to ensure that the Policy is implemented.

3.2 Audit Committee (AC)

The AC has a duty and responsibility to endorse the Policy and ensure that processes, internal controls, internal audit and risk management are in place in complying with the requirements of the Policy.

3.3 The Executive Chairman and Chief Executive Officer

The Executive Chairman and CEO have a duty and responsibility to ensure that the Group has in place a system to comply with this Policy.

3.4 Approval Process and Authority Matrix

a) Donation(s) and Sponsorship(s)

Please refer to:

- Appendix 1 – Donation(s) & Sponsorship(s) Approval Process flow
- Appendix 2 – Donation(s), Sponsorship(s) and Hospitality Requisition form

b) Gifts

Please refer to:

- Appendix 3 – Giving and Receiving Gift(s) Approval Process flow
- Appendix 4 – Gift(s) Requisition form
- Appendix 5 – Declaration by Employee(s) on receipt of Gift(s)

4. General Principles

- 4.1 The Group has zero tolerance towards acts of bribery and corruption and prohibits them in any form, both direct and indirect.
- 4.2 Gift(s), Hospitality or reimbursement of Expenses by the Group must comply with the following:
- Gift(s) or Hospitality is clearly an act of appreciation or given as part of the Group's brand building or promotional activities to improve the reputation of Kawan or to establish cordial relationship.
 - Travel Expenses for business purposes.
 - Must not be given with an intention of inducing the person to perform his duties improperly with a view to obtain a business advantage or desirable outcome for the Group.
 - **No obligation and expectations** in the acceptance of the Gift(s), Hospitality or reimbursement of Expenses by the recipient.
 - **Transparent** – Gift(s), Hospitality or reimbursement of Expenses is reported and documented
 - **Reasonable** – the value of the Gift(s) is not excessive or lavish within the Approved Value and general business practice.
 - **Bona fide**, where intention is done with good legal intention
 - **Conflict of interest** – the recipient must not be an immediate family member of any employees in the department that proposes the Gift, Sponsorship, Donation, Hospitality or reimbursement of Expenses.
 - **Appropriate** – the nature of the Gift(s), Hospitality or reimbursed expenses is appropriate to the relationship and accords with general business practice and local customs.
 - **Public Officials (“PO”)** – gifting, hospitality and reimbursement of Expenses to PO is prohibited.
- 4.5 The Group and Person Associated with the Group must not pay facilitation payment to third parties or PO.
- 4.6 Associated Persons is prohibited from giving Gifts or Hospitality to customers or third parties for and on behalf of the Group or gives an impression that the Gift or Hospitality are from Kawan without approval from Kawan.
- 4.7 Promotional items with company logo and gifts given to public, customers, partners and participants of exhibitions, trade show and events as parts of the branding and marketing activities organised by Kawan with minimal value are allowed and outside the scope of this Policy.
- #### 5.0 Donations & Sponsorships including Hospitality
- 5.1 All donation(s), sponsorship(s) and hospitality must be in compliance with this Policy.
- 5.2 The promotional items such as calendars, pens, T-shirts and other items of modest value is permissible to support brand awareness.
- 5.3 Criteria to approve a Donation or Sponsorship or Hospitality:
- the activity provides opportunity for community engagement or fostering relationship without business gain

- the donation or sponsorship or hospitality to an individual in order to secure favourable terms or advantage to the business.
- Donation or sponsorship or hospitality must not be made or offered as part of the tender, contract renewal or prospective business relationship
- No payment or contribution are allowed to any political party, PO or candidate.
- Donation or sponsorship or hospitality must not be illegal.

5.4 For charitable donation, it can be approved if donation is made to:

- Properly established registered charity
- Unregistered but charitable donation with valid charitable purpose.

5.6 Approval Process

5.6.1 All requisitions for Donation(s), Sponsorship(s) or Hospitality must be approved in accordance with the Approval Process set out in Appendix 1 together with the related requisition form in Appendix 2.

For avoidance of doubt, Hospitality involves normal business lunches and dinners are permissible and need not be processed or approved in accordance with the Approval Process.

5.6.2 Due diligence must be conducted on third parties individuals or organisation seeking Donation, Sponsorship or Hospitality on their background and reasons for seeking Donation/Sponsorship or Hospitality.

5.6.3 The CEO shall have the authority to approve all Donation(s) and Sponsorship(s) request. In the absence of the CEO, the EC may approve the Donation(s) and Sponsorship(s).

5.6.4 Hospitality requires the approval of the HOD.

5.6.5 HR shall maintain a register of all Donation(s), Sponsorship(s) and Hospitality to customers and third parties.

6. Gifts

6.1 Receiving Gifts

All employees are prohibited from accepting Gift(s) with the following intention::

- a) bribes or kickbacks to secure an improper advantage for the Giver;
- b) commission, rebate, fees, facilitation payments;
- c) cash or cash equivalents such as properties, gift certificates;
- e) promise of employment or office;
- f) loans, payments obligations or other liabilities;
- g) forbearance to demand money or valuable thing;
- h) other benefit or other considerations that secures a benefit or advantage.

6.3 Employees shall immediately inform HR using Declaration Form in Appendix 5 for appropriate actions to be taken.

6.4 Acceptance of gift(s) is allowed in the following circumstances:

- Gifts from company to third party or individuals relating to the company's official functions, events and celebrations (eg. Gifts offered for annual dinner)
- Gifts or monetary reward from Kawan to employees and directors and/or family members in relations to the company's function, events and celebration and recognition for long services or best employee;
- Gift(s) to external parties who have no business dealings with Kawan;
- Exchange of gift(s) during official events;
- Tokens gifts or promotional items with company logo that are given to the public, customers, partners and key stakeholders, conferences, exhibition, trade show and events as part of the branding and marketing activities.

6.4 Reporting

6.4.1 Other than items in 6.3, employees must declare all Gift(s) received by the Employees to Head of HR within 3 working days of receipt of the Gift(s).

6.4.2 Where the value of the Gift(s) is above Approved Value, the CEO (in consultation with the Head of HR) and General Manager-Sales and Marketing (Nantong) shall decide what to do with the Gift(s) in Malaysia and China respectively.

6.4.3 All food Gift(s) received (if not returned) are to be shared by employees of the department.

6.5 Register

Head of HR shall maintain a register of all Gift(s) declared by the staff. The register shall include name of the employee and giver, value and reason/occasion for giving the Gift(s), date and month the Gift(s) was received.

6.6 Providing Gifts

6.6.1 All Gift(s) must comply with the criteria set out in 4.0 and approved in accordance to the Approval Process Flow in Appendix 3 and requisition form in Appendix 4.

6.6.2 Value of Gifts above the Approved Value requires approval of the CEO. The employee must provide clear and justifiable reasons.

6.6.3 HR must maintain a register of all Gifts to clients and third parties. The register shall include the name of department proposing the Gifts, date of gift, name of recipient and company, value and reason for giving the Gift.

7.0 Reporting

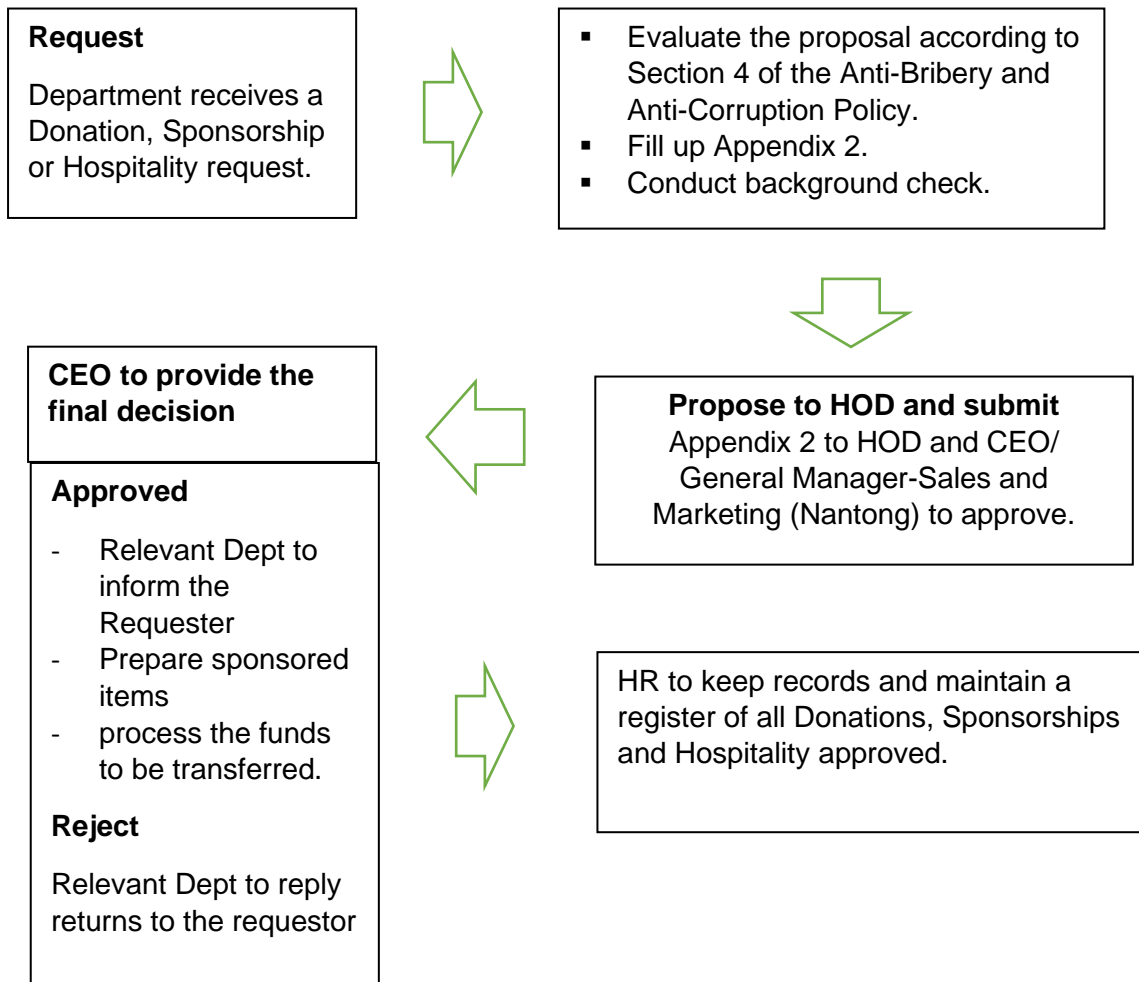
All records and approvals for Gifts, Donations, Sponsorships and Hospitality and Gifts must be kept by HR and reported to the Board when requested.

8.0 Communications

This Policy shall be communicated and made available to all employees.

9.0 Authority

The CEO shall have the authority to reduce or increase the Approved Value. The Board must approve the increase of the Approved Value.



DONATIONS, SPONSORSHIPS & HOSPITALITY REQUISITION FORM

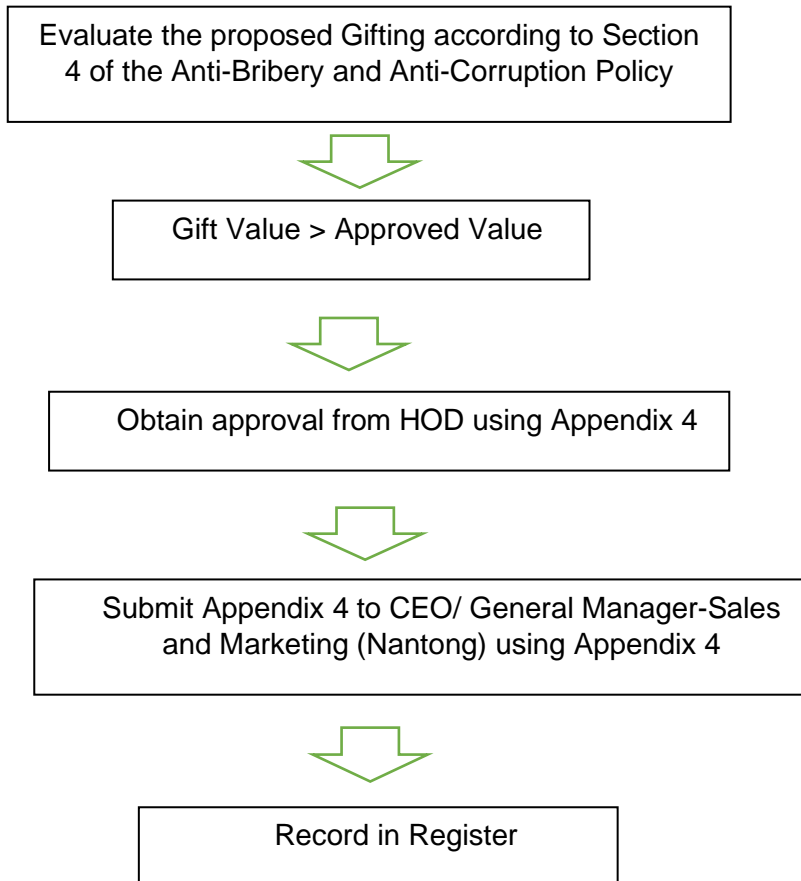
<p>Title: Date of Event Requested by: Designation: Dept: Contact No: Date Requested:</p>	<p>Category (Please circle) Donation Sponsorship Hospitality</p> <p>Type: Gift/Branding/Events/Road Shows/Exhibitions/Community Engagement/ Others: []</p>
<p>Executive Summary</p>	
<p>Background</p>	
<p>Purpose & Recommendation</p>	
<p>Details and estimated Cost</p>	

RECOMMENDATION AND APPROVAL

	<p>Prepared by:</p> <p>Name: Designation, Department:</p>
	<p>Supported by:</p> <p>Name: Designation, Department:</p>
	<p>Reviewed by:</p> <p>Name: Designation, Department:</p>
	<p>Approved by:</p> <p>Name: CEO/ General Manager-Sales and Marketing (Nantong)</p>
<p>Remarks/Comments</p>	

GIVING AND RECEIVING GIFT APPROVAL PROCESS

A) GIVING GIFT



B) RECEIVING GIFT

Evaluate the proposed Gifting according to Section 4 of the Anti-Bribery Anti-Corruption Policy

Evaluate if the Gift is prohibited

If it is prohibited, submit via Appendix 5 to HR

Approved Value

- Declare Gift to HR using Appendix 5
- Accept or share the Gift with everyone in the dept

> Approved Value

- Declare to HR via Appendix 5
CEO/General Manager - Sales and Marketing (Nantong) to decide whether to accept the Gift or not.

Record in a Register

HR to keep records and maintain a register of all Gifts declared to HR

GIFTS REQUISTION FORM

Name:	Dept:
Contact Details:	
Proposed Date of Gift	
Description of Gift	
Estimated Value of Gift	
Company/Person receiving the Gift	
Relationship	
Reasons	
Value of Gift > Approved Value	
Approved by CEO/ General Manager- Sales and Marketing (Nantong)	Date

APPENDIX 5

DECLARATION OF RECEIPT OF GIFT(S) BY EMPLOYEE(S)

Name	Department
Contact details:	
Date of Gift(s) received	
Description of Gift(s)	
Company/Person providing the Gift(s)	
Relationship	
Reason	
Conflict of Interest	Yes/No
Prohibited Gift(s)	Yes/No
Value of Gift(s) is Approved Value	
Accepted the Gifts	Yes/No
Shared with the employee in the department	Yes/No
Gift(s) valued at > Approved Value and hereby notify Head of HR for further action	
Signature of the Employee who received the Gift(s)	Date
Action to be taken by HR where Value of Gift(s) is > Approved Value Staff can keep the Gift(s) Yes/No Staff to share Gift(s) with staff in the Department Yes/No Staff to share the Gift(s) for general purposes Yes/No Staff to return Gift(s) to the Giver Yes/No	
Signature of CEO/ General Manager-Sales and Marketing (Nantong)	Date

Actions taken where Gift(s) is prohibited	
Signature of CEO/ General Manager- Sales and Marketing (Nantong)	Date