

PARAMOUNT

PARAMOUNT CORPORATION BERHAD

ANTI-BRIBERY AND CORRUPTION POLICY

(Adopted: 29 May 2020)

1. OBJECTIVES

The Board of Directors of Paramount Corporation Berhad has adopted this Anti-Bribery and Corruption Policy (**Policy**) to:

- i) reinforce Paramount's zero tolerance approach to bribery and corruption;
- ii) set out the responsibilities of the directors and employees of Paramount Group and those working for the Group in observing Paramount's position on bribery and corruption; and
- iii) to provide guidance on how to recognize and deal with bribery and corruption issues that might be encountered by the Group in its day-to-day business operations.

2. SCOPE

2.1 In the context of this Policy,:

- i) **Paramount** or **Paramount Group** or **the Group** means Paramount Corporation Berhad and its subsidiaries;
- ii) an **associated person** means:
 - a) any person who is a director of any company within the Paramount Group;
 - b) any employee (whether full-time, probationary, part-time, contract or casual employee) of the Paramount Group; and
 - c) a person who provides a service to the Group or has a business relationship with the Group, and shall include contractors, agents, advisers, auditors, consultants, suppliers and joint venture partners;
- iii) a **bribe** means anything of value given in an attempt to illicitly or influence a person's actions or decisions in order to gain or retain a business advantage for Paramount;
- iv) **bribery and corruption** means an action which would be considered as an offence of giving or receiving gratification under the Malaysian Anti-Corruption Commission Act, 2009 (**MACC Act**);
- v) **gratification** has the following meaning, as assigned to it in the MACC Act:
 - a) money, donation, gift, loan, fee, reward, security, property or interest in property, financial benefit or any other similar advantage;
 - b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
 - c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
 - d) any valuable consideration of any kind, discount, commission, rebate, bonus, deduction or percentage;
 - e) any forbearance to demand any money or money's worth or valuable thing;

- f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
 - g) any offer, undertaking or promise, whether condition or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).
 - vi) **hospitality** means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue with or without the presence of a representative from Paramount, and travel arrangements which may include the provision of guides, attendants and escorts for the travel;
 - vii) **public office** means a position or occupation established by law or by the act of a government body for the purpose of exercising the authority of the government in the provision of public services.
 - viii) words importing the singular number shall include the plural and vice versa, words importing the masculine gender shall include the female and neuter genders, and words importing a person shall include an individual or an organisation.
- 2.2 This Policy applies to all companies within the Paramount Group and all associated persons as defined in clause 2.1 (ii) above.

3. PARAMOUNT'S POSITION ON BRIBERY AND CORRUPTION

- 3.1 Paramount is committed to maintaining high standards of ethical business conduct that are in line with its Code on Business Conduct and Ethics, and it adopts a zero tolerance approach to bribery and corruption.
- 3.2 Paramount will uphold all laws relevant to bribery and corruption, and will remain bound by the MACC Act.
- 3.3 Paramount will use its best endeavor to prevent acts of bribery and corruption from being committed by any associated person.
- 3.4 To mitigate the risk of being implicated in acts of bribery and corruption allegedly committed by any associated person, Paramount will perform regular corruption risk assessment on the Group's operations, and take proactive steps to educate and inform, to the best of its ability, all associated persons on Paramount's position with regard to bribery and corruption.

4. GUIDELINES

4.1 Gifts and Hospitality

- 4.1.1 Paramount advocates the use of good judgement and moderation when giving or accepting gifts or hospitality in the course of the Group's business activities. The receipt or giving of gifts or hospitality, if any, must be in compliance with the law, and must not violate the giver's or receiver's policies on the matter, and be consistent with the local custom and practices, which may vary in different cultures.

4.1.2 Paramount does not solicit gifts, hospitality and favours of any value from any person, nor does Paramount act in a manner that would place any person in a position where he may feel obligated to make a gift or provide hospitality or a favour to Paramount and/or any associated person in order to do business or continue to do business with Paramount.

4.1.3 All gifts and hospitality given or received must be in accordance with Paramount's Anti-Bribery & Corruption Guidelines, and they must be:

- i) reasonable in value;
- ii) infrequent in nature;
- iii) transparent and open;
- iv) not given to influence or to obtain an unfair advantage; and
- v) respectful and customary.

4.2 Facilitation Payments

4.2.1 Paramount adopts a strict stance that disallows facilitation payment of any kind.

4.2.2 Any person who has any suspicion, concern or query regarding any such payments made to any director or employee of the Group should raise his concern to the Chairman of the Audit Committee of Paramount or through the Whistleblowing channel if he wishes to do so anonymously.

4.3 Political Contributions

4.3.1 Paramount does not make any contribution or donation to any political party or candidate which or who (as the case may be) is in public office or standing for election to a public office.

4.3.2 Paramount's funds, services, properties, premises and facilities cannot be used for the promotion of any political party and any candidate which or who (as the case may be) is in public office or standing for election to a public office.

4.3.3 Whilst directors and employees of the Group are permitted to make their own personal political contributions, no reimbursements will be made by Paramount to any director and employee for such personal contributions.

4.4 Donations and sponsorships

4.4.1 Donations and sponsorships to non-political organisations are permitted in accordance with Paramount's Anti-Bribery & Corruption Guidelines. Such donations and sponsorships, however, must be made in good faith without any expectation of a reciprocal benefit or to influence the decision of the recipient of the donation or sponsorship.

4.4.2 Donations and sponsorships that allow the publication/display of Paramount's brand name, logo, marketing content on the recipient's event materials or premises merely for general business promotion are permitted, and shall be considered as advertising and promotional expenditure incurred in the ordinary course of the Group's business.

4.5 Procurement Process

4.5.1 The selection of suppliers, contractors, advisers and consultants shall be in accordance with the standard procurement procedures of the Group, and shall not be decided based on the receipt of any gift or bribe.

4.5.2 Proper documentation must be maintained to prove that such standard procedures had been adhered to.

4.5.3 When the selection process involves the calling of a tender, the tender process and criteria set out in Paramount's Tender Procedures and Award Procedures must be adhered to. No unfair advantage should be given to any tenderer via any prior or close-door negotiation whilst the bidding process is still open to all qualified bidders.

4.5.4 Due diligence on suppliers, contractors and consultants in the selection process should include elements of corruption and bribery.

4.6 Record-keeping

4.6.1 All accounts, invoices, letters, agreements, and other documents or records relating to transactions and dealings between Paramount and external parties shall be prepared and maintained with accuracy and completeness.

4.6.2 No accounts must be kept 'off-book' to facilitate the concealment of improper payments, if any.

4.6.2 All claims for reimbursement of expenses incurred by any director and employee whilst dealing with an external party, which can include expenses incurred for the giving of gifts and hospitality, must be processed in accordance with Paramount's Anti-Bribery & Corruption Guidelines.

4.7 Training and communication

4.7.1 Every employee of the Group (including new recruits) will receive the relevant training on anti-bribery and corruption. Internal controls will also be established to mitigate this risk.

4.7.2 Paramount's zero tolerance approach to bribery and corruption must be communicated to all associated persons at the outset of their relationship with Paramount, and a copy of this Policy shall be made available to such associated persons.

4.7.3 All directors and employees of the Group shall declare in writing that they have read, understood and will abide by this Policy, and a copy of the declaration, in the form as set out in Appendix I annexed hereto, shall be kept by the respective human resource departments within the Group.

4.8 Monitoring and review

4.8.1 The internal controls to mitigate the risk of bribery and corruption are reviewed by Paramount's Executive Risk Management Committee and reported to the Board Risk Management Committee on a scheduled basis or as and when the need arises.

4.8.2 Such internal controls are also subject to audit by Paramount's Internal Audit Department to assess the effectiveness of the controls.

5. RESPONSIBILITIES

5.1 The Board has oversight of this Policy, and all Chief Executive Officers within the Group are responsible for ensuring compliance with this Policy by their respective subordinates.

5.2 Every director and employee of the Group is required to be familiar with and comply with this Policy.

- 5.3 Employees who are responsible for the selection of any supplier, contractor, agents and consultant are required to extend a copy of this Policy to the selected supplier, contractor, agent and consultant for their knowledge of Paramount's stance on bribery and corruption.
- 5.4 Bribery is a criminal offence. An associated person will be held accountable whether he pays a bribe personally or if he authorises, assists or conspires with someone else to pay the bribe. The punishment for such an offence under the relevant corruption and bribery laws may include imprisonment and a significant monetary fine, which will not be paid by Paramount.

6. VIOLATION OF THIS POLICY

- 6.1 Any violation of this Policy will be regarded by Paramount as a very serious matter, and is likely to result in disciplinary action, including dismissal, termination of contract or termination of service, being taken by Paramount in accordance with the relevant local laws.
- 6.2 Employees who have reasons to believe or suspect that a violation of this Policy has been committed must immediately notify the Chairman of the Audit Committee of Paramount. No retaliatory action of any kind will be permitted against anyone for making such a report in good faith.
- 6.3 A violation of this Policy may also constitute a violation of applicable laws and may result in criminal penalties and civil liabilities on the offending associated persons. All directors and employees of Paramount Group are expected to cooperate in investigations on such misconduct, if any.

7. REVIEW

The Board of Directors of Paramount Corporation Berhad shall review this Policy once in every three (3) years or as and when the need arises to ensure that it continues to remain relevant and effective in meeting the objectives as highlighted herein.

APPENDIX I

DECLARATION BY AN ASSOCIATED PERSON IN RELATION TO
THE ANTI-BRIBERY AND CORRUPTION POLICY
OF PARAMOUNT CORPORATION BERHAD

I, (NRIC/Passport No.), hereby declare that I have read and understood Paramount Corporation Berhad's Anti-Bribery and Corruption Policy, and I will abide by the requirements and guidelines set out in the said Policy.

I do hereby take note that Paramount adopts a zero tolerance approach to bribery and corruption, and has made available a Whistleblowing channel on its website at www.pcb.my for reporting of any violation of this Policy.

.....

Name:

Company:

Job Position:

Date: