

Anti-Corruption and Whistleblowing Policy

1. Purpose

- To ensure business is conducted without bribery, corruption or any similar kind of unethical act.
- All employees¹ under Guan Chong Berhad Group of Companies (GCB) or agents² acting for or on behalf of GCB are prohibited from, directly or indirectly, receiving or providing benefits such as gifts, commissions, kickbacks or any benefits in similar nature from / to any persons¹ or entities² who deal with GCB (3rd parties), where the benefits would reasonably be expected to influence the performance of employees' or agents' duties in any aspects.

2. Responsibility

- All employees under GCB to inform 3rd parties that GCB practice an Anti-Bribery & Corruption policy and to request the 3rd parties' understanding to respect said policy.
- HR to enforce said policy, scrutinize the enforcement, provide guidance to all employees under GCB.
- Whistle-blowers to inform HR regarding suspected / known corruption activities or inadequacy of said policy via discreet whistleblowing channel (refer to Clause 9).

3. Strictly Prohibited Benefits – Receiving or Providing (Non-exhaustive)

No.	Description	Value
1.	Money – Any form	Any amount
2.	Jewelleries – Gold, diamond, precious stone and the like	Any amount
3.	Luxury items – Branded accessories, handbags, watches and the like	Any amount

4. Permissible Benefits – Receiving or Providing (Non-exhaustive)

No.	Description	Value
1.	Meals, refreshments and entertainment for business purposes	Refer to Clause 10
2.	Commissions and fees for business purposes	Refer to Clause 10
3.	Declared tokens of appreciation (e.g. hampers, festive gifts, vouchers, tickets, diaries, calendars and the like)	Refer to Clause 10
4.	Benefits related to official events (e.g. annual dinners, conferences, exhibitions and the like)	Refer to Clause 10
5.	Donations and contributions related to Corporate Social Responsibilities (CSR) and Sustainability Programs	Refer to Clause 10

**Related receipts, invoices, contracts, greeting cards, invitation cards, correspondences (email and/or Whatsapp) and the like have to be kept systematically for verification and audit purposes.*

5. Items Excluded from Clause 3 and 4

For such items, prior approvals from ERM EXCO have to be obtained via email or Whatsapp before receiving or providing.

¹ including but not limited to 1st degree relatives, 2nd degree relatives, 3rd degree relatives, family-in-law, stepfamily and any other related persons

² including but not limited to owners, employees, 1st degree relatives, 2nd degree relatives, 3rd degree relatives, family-in-law, stepfamily and any other related persons

³ including but not limited to display publicly, donate to charity, share with other employees and any other resolutions that may deem fit

6. Unauthorized Receipts

- Detailed declarations via email or Whatsapp with valid reasons (e.g. likely to offend the provider, anonymous provider or etc.) to respective superiors or HODs must be made within 5 working days from date of offer / receipt.
- Such items are to be returned or subjected to ERM EXCO’s discretion³.

7. Enforcement, Scrutinizing, Guiding and Whistleblowing

- Mandatory for all new and existing employees under GCB to read, fully understand and sign off Anti-Bribery & Corruption and Whistleblowing Statement.
- Mandatory topics on Anti-Bribery & Corruption and Whistleblowing to be added into employees’ handbooks, orientation for newly joined employees and annual refresher for existing employees.
- Appropriate face-to face, verbal or digital (email, Whatsapp and etc.) guidance must be provided by HR to enquirers.
- Trading and purchasing teams to evaluate new suppliers adequately.
- Marketing and finance teams to evaluate new customers adequately.
- HR team to check backgrounds of new recruits adequately.
- ERM Coordinators to review entertainment expenses on quarterly basis.
- Internal audit to be carried out once every 3 years.
- Whistle-blowers must be protected by discreet whistleblowing channel (refer to Clause 9) and from unfair treatment in any manner.

8. Violation

Violation will lead to:

- 1st offence – 1st warning letter + counselling
- 2nd offence – 2nd warning letter + counselling
- 3rd offence – Domestic inquiry (most likely followed by suspension and / or termination, subjected to ERM EXCO’s and / or HR’s discretions)

9. Discreet Whistleblowing Channel

- Whistle-blowers can report to Chairman of Audit Committee (CAC) – Independent Director via email (armac@favorich.com).
- Once CAC received reports, he or she will assign the cases to ERM Coordinators / appropriate independent management teams for further investigations.
- Identities of whistle-blowers will be kept as confidential as possible.

10. Permissible Values and Authority Matrix

Designation	Permissible Values	If Exceed, Seek Approval From
Director / Manager 1	Any amount	N/A
Manager 2 / Manager 3	RM 2,000.00 / person / event	Respective superior
Manager 4 / Manager 5	RM 1,000.00 / person / event	Respective superior
Executive	RM 500.00 / person / event	Respective HOD
Non-Executive	N/A	Respective HOD

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