

## **ANTI-CORRUPTION POLICY**

### **1. Leave a Nest Malaysia against Corruption**

Leave a Nest Malaysia Sdn Bhd (“**Company**”) is committed to upholding good governance and conducting its business ethically and in compliance with all applicable anti-corruption laws.

In line with this commitment, the Company adopts a zero-tolerance approach towards any form of bribery and corruption at any level of its organization and any aspect of its business. All officers and employees of the Company, and all the Company’s third party stakeholders, must uphold the highest standard of integrity and accountability.

Any officer or employee found engaging in corrupt practices will face strict disciplinary action by the Company (which include suspension or termination). The Company will also not hesitate to report the suspected corruption to the relevant authorities.

### **2. Introduction**

There are various laws in Malaysia which prohibit bribery and corruption. The Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act**”) is the primary anti-corruption legislation which applies to both the private and public sectors. The Penal Code also contains provisions on anti-corruption.

All these laws impose severe penalties. A breach of the MACC Act is punishable with imprisonment for a term of up to 20 years and a fine not less than 5 times the sum or value of the gratification which is the subject matter of the offence, if it can be valued, or RM10,000.00, whichever is the higher.

The MACC Act also has a corporate liability provision. A commercial organization can be found liable under section 17A of the MACC Act if a person associated with the commercial organization gives, agrees to give, promises or offers gratification with the intent to obtain or retain business or to secure an advantage in the conduct of business, for the commercial organization. Where the commercial organization is found liable for a bribery offence, the following individuals are also deemed to have committed the offence:

- a director, controller, officer or partner; or
- any person concerned in the management of its affairs,

at the time of the commission of the offence.

The MACC Act has extra-territorial effect. It covers corruption committed in and outside of Malaysia by citizens and permanent residents of Malaysia.

Corruption will give rise to the following repercussions.

To you individually:

- Criminal conviction, fines and imprisonment
- Damage to reputation

- Loss of employment
- Loss of membership with professional associations which you are affiliated with

To the Company:

- Criminal conviction, fines and imprisonment
- Damage to reputation and business goodwill
- Civil liability and payment of compensation
- Loss of business and contracts
- Disqualification from obtaining projects or any other future business opportunities.

### **3. Prohibited Conduct**

Corruption broadly covers the following acts:

- Giving, soliciting, offering or accepting gratification
- Corruptly procuring the withdrawal of a tender
- Bribery of an officer of a public body or foreign public official
- Using office or position for gratification

In addition, there is a duty to report a corruption offence to the police or the Malaysian Anti-Corruption Commission.

No employees shall engage in acts of corruption including bribery, facilitation payments and trading in influence in both the public and private sectors.

### **4. Gratification**

Gratification, which is the subject matter of any corruption offence, is defined very widely to include (but not limited to):

- money, donation, gift, loan, fee, reward, valuable security, interest in movable or immovable property;
- office, employment, contract of employment or services, and agreement to give employment;
- any payment, release, discharge of any loan, obligation or other liability;
- any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction;
- any forbearance to demand any money or money's worth or valuable thing;
- any other service or favour of any description, including protection from any penalty or disability or from any action or proceedings of a disciplinary, civil or criminal nature.

## 5. Common forms of corruption – risk areas

Gifts and Hospitality Expenditure: You should not accept or give gifts to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits. In addition, lavish or unreasonable gifts or hospitality are prohibited as such gifts or hospitality may be perceived or interpreted as an attempt to obtain or retain business or an advantage

The Company adopts a “no gift” policy where, subject to certain exceptions, all employees are prohibited from directly or indirectly receiving or providing gifts. You should inform and educate the Company’s business partners that the Company practices a strict “no gift” policy as part of its anti-corruption commitment.

Although the general rule is not to receive or provide any gifts, the Company is aware that in certain cultures or business settings, gifts or corporate hospitality offerings are a central part of business etiquette and relationship building effort. In view of this, the following are the limited circumstances in which the receipt and provision of gifts are permitted:

- Exchange of gifts on a company-to-company level.
- Gifts provided to external institutions or individuals in relation to official functions, events and celebrations (*e.g.*: commemorative gifts or door gifts offered to attendees of events).
- Token gifts of nominal value and bearing the Company’s logo or such souvenirs part of the Company’s brand building or promotional activities (*e.g.*: T-shirts, pens or other small promotional goodies).

For any other gifts or hospitality expenditure, please seek approval from Director.

Events and Entertainment: Employees may arrange or participate in events and arrangements, provided that, there is clear and legitimate business reason, costs are reasonable and the immediate superior are informed of such participation. Expensive or extravagant arrangements shall not be arranged or attended unless it is necessary from a business perspective and approval have been sought from the immediate superior.

Further, the Company shall not pay for travel, accommodation or other related expenses for third parties if the Company is arranging a business related arrangements such as meeting, seminar or presentation. Similarly, a third party shall not pay for the Company’s expenses in connection with a business related events or arrangements.

Exceptions to this requirement can solely be made in special circumstances and subject to review and prior written approval from directors.

Facilitation Payments and Kickbacks: You are strictly prohibited from giving or receiving any form of facilitation payments and kickbacks. However, there could be circumstances where you have no choice but to make a facilitation payment in order to protect yourself from injury, loss of life or liberty. Any facilitation payment made under such circumstances should be reported immediately to your superior or to directors.

“Facilitation payments” means any sum of unofficial payment made to secure, expedite or facilitate an ordinary governmental action, process or procedure to a government official, either locally or internationally.

“Kickbacks” means a payment or commission made in return for facilitating a transaction, procurement of a project or furthering of a business.

Sponsorship and Donation: All sponsorships and donations made in the name of the Company are subject to approval by directors. The purpose of such donation and sponsorship must not be made to obtain an unfair business advantage or for a political purpose.

Purchasing and procurement practices: All purchasing and procurement decisions must be made based solely on the best interest of the Company. Purchases and procurements must be documented in a proper agreement, identifying key points such as the services or products to be provided, the basis for payment, the applicable rate or fee and the due date for delivery. The payment agreed to must commensurate with the quality of the services or products provided.

## **6. Conducting Due Diligence**

The Company’s dealings with any third party must be carried out in compliance with the MACC Act and all relevant local and foreign laws (if applicable).

Employees must ensure that prior due diligence on the Company’s third party or any prospective business counterparties are carried out.

When conducting such due diligence, you must check:

- \_\_\_background of the third party (e.g., whether there are any investigations or conviction on corruption);
- \_\_\_whether the third party is owned or related to any government or politician;
- \_\_\_the country of origin (whether it is a high risk country from an anti-corruption perspective);
- \_\_\_suspicious payment requests such as paying to an account that is not in the name of the third party; and
- \_\_\_the structure of the payments (for example, payments split into many smaller payments)

If there are any irregularities discovered during the due diligence process, you must raise this immediately to directors.

## **7. Whistleblowing**

If you encounter any actual or suspected violations of this Policy, you have a duty to report this. Note that you have a duty by law to report suspected corruption. All suspected bribery and corruption incidents shall be reported using the following channels:

Compliance Manager

Email: ueno@lne.st

Telephone: +81-3-5227-4198

All persons making the report are required to identify themselves in the report. Rest assured, we will keep your identity anonymous and we will address the concern in a timely manner, without incurring fear of reprisal regardless of the outcome of the investigation.