



KUMPULAN PERANGSANG SELANGOR BERHAD

(Company Registration No:197501002218/23737-K)

ANTI-BRIBERY AND CORRUPTION POLICY VERSION 2/2022

APPROVED BY BOARD
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ANTI-BRIBERY AND CORRUPTION POLICY

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1.0 INTRODUCTION

1.1. Background

- 1.1.1. Kumpulan Perangsang Selangor Berhad ("**KPS or the Company**") takes a zero-tolerance approach towards bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all business dealings and relationships wherever KPS and its subsidiary companies ("**KPS Group**") operate, implementing and enforcing effective systems to counter bribery and corruption.
- 1.1.2. This Anti-Bribery and Corruption Policy (the "**Policy**") intends to fulfil the requirements set forth in the Guidelines on Adequate Procedures issued on 10 December 2018 by the Prime Minister's Office pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (MACC Act 2009), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Amendment Act 2018).
- 1.1.3. The Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide guidance to employees and persons who perform services for or on behalf of KPS Group (collectively "persons associated with a commercial organisation") concerning bribery and other corrupt activities and issues that may arise in the course of business.

1.2. Scope

- 1.2.1. The fundamental standards of integrity under which KPS operate do not vary depending on where KPS work or who it is dealing with.
- 1.2.2. This policy is applicable to KPS, its controlled organisations, business associates acting on KPS's behalf, the Board of Directors and all KPS employees.
- 1.2.3. Joint-venture companies in which KPS is non-controlling or co-venture and associated companies are encouraged to adopt these or similar principles. External providers are also expected to comply with this policy in relation to all work conducted with KPS, or on KPS's behalf.

1.3. Responsibility

- 1.3.1. All departments within KPS Group are primarily responsible for complying to this Policy; and
- 1.3.2. The Integrity and Governance Unit (“IGU”) of Legal and Compliance Department of KPS is the owner of this Policy. It has full responsibility in the development and maintenance of this Policy including any reviews, changes, amendments, additions or deletions of any provision of this Policy.

1.4. Approving Authority

1.4.1. KPS

The Board of KPS (“Board”) is the approving authority of this Policy.

1.4.2. Subsidiary Companies

The subsidiary companies are to adopt this Policy upon approval by its Board.

1.5. Date of Implementation

This Policy is effective immediately upon approval by the Board. For the subsidiary companies, this Policy is effective immediately upon further approval by the respective Board.

1.6. Review Frequency

This Policy will be reviewed by IGU every three (3) years at the latest at the minimum, to ensure the effectiveness of the management and implementation of this Policy.

1.7. Reference

This Policy is to be read in conjunction with all the relevant policies at the respective entity within the Group, procedural documents and other external guidelines, but not limited to the following:

- 1.7.1. Malaysian Anti-Corruption Commission Act 2009;
- 1.7.2. Anti-Money Laundering and Anti-Terrorism Financing Act 2001;
- 1.7.3. Whistleblower Protection Act 2010 (Laws of Malaysia Act 711);
- 1.7.4. Employees Handbook
- 1.7.5. Whistleblowing Policy and Guidelines
- 1.7.6. Financial Authority Limit & Delegation of Authority;
- 1.7.7. Entertainment and Gift Policy;

- 1.7.8. Compliance Policy;
- 1.7.9. Conflict of Interest Policy; and
- 1.7.10. Personal Data Protection Policy.

1.8. Definition

The key terms and acronyms appeared in this Policy shall be defined as per Appendix I.

2.0 OBJECTIVES

This Policy:

- 2.1. set out KPS's responsibilities, and the responsibilities of those working for or with KPS in observing and upholding KPS's position on bribery and corruption;
- 2.2. ensure that KPS has adequate procedures in place to prevent and detect bribery and corruption;
- 2.3. provide information and guidance to those working for or with KPS on how to recognize and deal with potential bribery and corruption issues; and
- 2.4. protect KPS against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

3.0 STATEMENT OF POLICY

It is KPS Group policy to conduct all businesses in an honest and ethical manner and consistent with KPS's core values of **PRIDE, RESPECT, INTEGRITY, DISCIPLINE** and **EXTRA-MILE**. KPS will uphold all laws relevant to countering bribery and corruption in order to uphold honesty and integrity in its business.

4.0 KEY PRINCIPLES

This Policy establishes the overarching principles and commitment to action for KPS Group with respect to complying with the requirements and obligations imposed under Malaysian Anti-Corruption Commission Act 2009 (MACC) Act 2009 and Guidelines on Adequate Procedures issued pursuant to subsection (5) of Section 17A of MACC Act 2009, which include amongst others, the five guiding principles under **TRUST** acronyms:

4.1. Top level commitment

- 4.1.1. Directors and Key Management of KPS shall demonstrate a visible and active commitment to KPS' zero tolerance for corruption and anti-corruption programmes.
- 4.1.2. Directors and Key Management of KPS shall practice the highest level of integrity, ethics and comply fully with the applicable laws and regulatory requirement on anti-corruption.

4.2. Risk Assessment

- 4.2.1. All organisations are exposed to corruption risks. Corruption risks may exist at all levels of management, in all functions and activities, and potentially involve internal and external stakeholders.
- 4.2.2. KPS will undertake a bribery and corruption risk assessment across its business when appropriate to understand the bribery and corruption risks it faces and ensure that it has adequate procedures in place to address those risks.
- 4.2.3. Corruption Risk Management ("CRM") is a management process that helps to identify structural weaknesses that may facilitate corruption, provides a framework for all employees to take part in identifying risk factors and treatments, and embeds corruption prevention within a well-established governance framework. CRM serves as an important pillar in corruption prevention initiative.

4.3. Undertake control measures

- 4.3.1. KPS puts in place the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of KPS in order to address any corruption risks arising from weaknesses in the KPS governance framework, processes and procedures. These should include the following items:

- a. Due Diligence
- b. Reporting channel
- c. Policies and procedures

4.4. Systematic review, monitoring and enforcement

- 4.4.1. KPS ensures that the Key Management continuously monitors the effectiveness and review the implementation of this Policy annually or at appropriate intervals, considering its suitability, adequacy and effectiveness.
- 4.4.2. In addition, KPS is committed in ensuring the proper implementation and enforcement of this Policy within KPS Group. Ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of anti-corruption programmes of KPS Group.

4.5. Training and communication

4.5.1. Training

- a. KPS shall endeavour to conduct a training and awareness programme for all KPS staff and directors regarding anti-bribery, integrity and ethics on regular basis.
- b. Records on attendance and/or completion records of the training session(s) will be maintained to verify that all employees receive the necessary training to perform their responsibilities in compliance with the anti-corruption and bribery laws.

4.5.2. Communication

- a. Any reports on anti-corruption and bribery, will be reported via whistleblowing channel per KPS Whistleblowing Policy and Guidelines.
- b. KPS regularly communicate the requirements and obligations under this Policy and related policies to all board of directors and employees through various mediums and platforms which includes but is not limited to emails, newsletters, posters code of business conduct, KPS website and internal platforms.

5.0 GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY

5.1. Gift

5.1.1. KPS does not solicit gifts, entertainment, or favours of any value from persons or firms with which KPS actually or potentially does business.

5.1.2. However, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted that are customary business courtesies in the following situations and the value shall not be more than the threshold as set out in KPS's Entertainment and Gift Policy;

- a. Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property).
- b. Gifts from company to external institutions or individuals in relation to the company's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event).
- c. Gifts from KPS to employees and directors and/or their family members in relation to an internal or externally recognized KPS's function, event and celebration (e.g. in recognition of an employee's/director's service to KPS).
- d. Token gifts of nominal value normally bearing the KPS's logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the KPS's brand building or promotional activities; and
- e. Gifts to external parties who have no business dealings with KPS (e.g. monetary gifts or gifts in-kind to charitable organizations).

5.1.3. Even in the above exceptional circumstances, the employees are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with these general principles;

- a. Conscientiously maintain the highest degree of integrity.
- b. Always exercise proper care and judgment.
- c. Avoid conflicts of interest.
- d. Refrain from taking advantage of your position or exercising your authority

to further your own personal interest at the expense of KPS.

- e. Comply with applicable laws, regulations and KPS policies and procedures.

5.1.4. Any corporate gift shall fulfil the following conditions:

- a. They are limited, customary and lawful under the circumstances.
- b. They do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions.
- c. There must be no expectation of any specific favour or improper advantages from the intended recipients.
- d. The independent business judgment of the intended recipients must not be affected.
- e. There must not be any corrupt/criminal intent involved.
- f. The giving out of the gift and hospitality must be done in an open and transparent manner.

5.1.5. Employees are required to ensure there is a clear distinction between the gifts given on a personal basis and those given on behalf of KPS. Under no circumstances are employees to misrepresent personal gifts and/or use such customs to circumvent KPS's gifts policy.

5.1.6. In these circumstances, employees are expected to immediately declare and record the gift in accordance with KPS's Anti Bribery and Corruption Standard Operating Procedures.

5.2. Providing Entertainment

5.2.1. KPS recognises that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external clients. As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

5.2.2. Employees are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of the KPS Code of Conduct

5.3. Receiving Entertainment

- 5.3.1. KPS recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.
- 5.3.2. However, it is important for employees and directors to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard KPS's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.

5.4. Corporate Hospitality

- 5.4.1. KPS recognises that providing corporate hospitality to its stakeholders or occasional acceptance of an appropriate level of hospitality be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.
- 5.4.2. While providing and receiving corporate hospitality is a reflection of KPS's courtesy and goodwill, the respective employees must exercise proper care to protect KPS's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures.
- 5.4.3. There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to KPS corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve public officials.

6.0 CORPORATE SOCIAL RESPONSIBILITY ("CSR"), SPONSORSHIPS AND DONATIONS

As a responsible corporate citizen, KPS is committed to contributing to the wellbeing of the people and nation in countries where it operates. It is however important that all CSR, sponsorships and donations are made in accordance with the Sustainability Policy and receive prior authorization by the authorised person as per Financial Authority Limit.

6.1. Corporate Social Responsibility ("CSR")

Support of CSR projects and the use of sponsorships and donations (collectively “contributions”) are part of KPS contribution to the wellbeing of the communities and the environment in which it operates. Such contributions, however can never be promised, offered or made to secure a business advantage or for any other improper purpose such as to bribe or self-enrich.

6.2. Sponsorships and Donations

6.2.1. All sponsorships and donations shall not be used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the Employee Handbook (Code of Conduct), including in particular, the prohibition on bribery. KPS needs to be certain that donations to charities or beneficiaries are not disguised illegal payments to government officials and must ensure that the charity does not act as a conduit to fund illegal activities in violation of anti-money laundering, anti-terrorism and other applicable laws.

6.2.2. In accordance with KPS’s commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:

- a. ensure such contributions are allowed by applicable laws;
- b. obtain all the necessary internal authorisations;
- c. be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- d. be accurately stated in KPS’s accounting books and records; and
- e. not to be used as a means to cover up an undue payment or bribery;

6.2.3. The request is evaluated against KPS’s Guidelines on CSR, Sponsorships and Donations and meets the following criteria: -

- a. The request does not fall under the list of activities which KPS does not support or contribute to;
- b. there is no risk of a perceived improper advantage for KPS; and
- c. the proposed recipient is a legitimate organisation and/or individual proper due diligence are made/background checks.

7.0 EDUCATION SPONSORSHIPS

- 7.1. KPS has a sponsorship programme with the objective to provide educational opportunities to deserving students to enable them to realize their potential and to contribute to the growth of the nation. The awarding of scholarships should be based on strict guidelines and due diligence to ensure that only the most qualified and deserving students receive the scholarship award. This is crucial to ensure that no element of corruption is involved in the giving out of scholarships.
- 7.2. The selection of sponsorship recipients should be based on approved criteria such as academic qualifications and assessment results. The process of selection should be transparent and the reasons for selection should be properly recorded and must be in compliance with the approved KPS sponsorship policy and procedures.

8.0 POLITICAL CONTRIBUTIONS

- 8.1. KPS does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office. Examples of prohibited political donations include:
- 8.1.1. cash contributions;
 - 8.1.2. free or discounted use of KPS premises, equipment or other company resources; and
 - 8.1.3. payment of salary of a KPS employee working for a political party or candidate working during normal working hours (except if the employee in question takes a legally permissible paid leave).
- 8.2. Furthermore, charitable donations shall not be used as a subterfuge for prohibited political payments.

9.0 FACILITATION PAYMENT

- 9.1. KPS prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.
- 9.2. Facilitation payment is payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving

facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.

- 9.3. There may be circumstances in which individuals are left with no alternative but to make payment in order to protect against loss of life, limb or liberty. If these payments are made, they should be reported to the IGU as soon as practical.

10.0 ANTI-MONEY LAUNDERING

- 10.1. KPS strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities. Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislation are severe and can include extradition and incarceration in foreign jurisdictions.
- 10.2. To avoid violating anti-money laundering laws, employees are expected to always conduct counterparty due diligence to understand the business and background of KPS's prospective business counterparties and to determine the origin and destination of money, property and services.
- 10.3. Counterparty means any party that KPS is currently in relationship with or intends to do business with in the future, either on a regular or once-off basis. Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, JV partners and any other business partners.

11.0 CONFLICTS OF INTEREST

Conflict of interest happen in situations where two or more competing interests' conflict and impair an individual's ability to make objective decisions. Generally, a conflict of interest arises when personal interests in any way interfere with KPS's interests. Conflict of interest do not necessarily have to result in unethical or illegal acts. Conflict of interest can arise when the employee takes actions or have interests that may make it difficult to perform their role objectively. It is important for the employee to avoid conflict of interest, including potential conflict of interest that could create the perception that they may be improperly influenced in their decision-making.

12.0 DEALING WITH THIRD PARTIES

- 12.1. KPS's zero-tolerance approach to bribery and corruption should be communicated to all contractors, suppliers, agents, consultants, joint venture partners and vendors at the outset of business relationship and as appropriate thereafter.
- 12.2. KPS' dealings with third parties, which include contractors, suppliers, agents, vendors, consultants, joint venture partners, introducers/government intermediaries, must be carried out in compliance with all relevant laws and consistent with the values and principles of KPS's Policies. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.
- 12.3. KPS expects that all third parties acting for or on its behalf to share KPS's values and ethical standards as their actions can implicate KPS legally and tarnish KPS's reputation. Therefore, where KPS engage third parties, such as contractors, agents, intermediaries or joint venture partners, we are obligated to conduct appropriate counterparty due diligence to understand the business and background of KPS' prospective business counterparties before entering into any arrangements with them to ensure that KPS are dealing with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.
- 12.4. In circumstances where KPS retains controlling interest, such as in certain joint venture agreements, business associates are required to adhere to this Policy and all other relevant KPS's Policies. Where KPS does not have controlling interest, associates are encouraged to comply the same.
- 12.5. Appropriate assessment shall be conducted to individuals or third parties to ensure the business and background of the potential business partners are free from bribery elements or conflict of interest prior to procurement process.
- 12.6. All procurement activities shall be in line with the Procurement Policy and procedures at KPS. A tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality.

13.0 MERGERS, ACQUISITIONS AND INVESTMENTS

Due diligence shall be conducted in evaluating mergers and acquisition transactions and/or any new investments with the prospective business partners to ensure compliance with anti-bribery and corruption laws.

13.1. Due Diligence for Pre-Acquisition

13.1.1. Anti-bribery due diligence is considered on a proportionate basis for all investments but on a risk-based approach, with the level of due diligence being proportionate to the investment and the perceived likelihood of risk of bribery.

13.1.2. The level of anti-bribery due diligence for the transaction is commensurate with the bribery risks. Anti-bribery due diligence starts sufficiently early in the due diligence process to allow for adequate due diligence to be carried out and for the findings to influence the outcome of the negotiations or stimulate further review if necessary.

13.1.3. The partners or the Board provide commitment and oversight to the due diligence reviews. Information gained during the anti-bribery due diligence is passed on efficiently and effectively to KPS's Key Management once the investment has been made.

13.2. Due Diligence for Post Acquisition

13.2.1. To conduct due diligence on a proportionate basis immediately after purchase to determine if there is any current bribery and if so, takes immediate remedial action.

13.2.2. To ensure that the target company has or adopts an adequate anti-bribery and corruption programme equivalent to KPS.

13.2.3. Bribery detected through due diligence is reported to the authorities.

14.0 RECRUITMENT OF EMPLOYEES

14.1. KPS being a diversified entity, provides equal opportunity for any qualified and competent individual to be employed by KPS from various multicultural and multiracial background, sourced externally, local and/or internationally.

14.2. The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees. In line with this, proper background checks should be conducted in order to ensure that the

potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.

15.0 RECORD KEEPING

- 15.1. It is essential that KPS keep full and accurate records of all of its financial dealings including the giving and the receiving of payments and gifts at all times in line with KPS Employee Handbook and the relevant gift and entertainment related policy and/or procedures. Transparency is vital and any false or misleading records could be very damaging to KPS Group.
- 15.2. All departments have to maintain written records evidencing that due diligence has taken place and that any risks identified have been carefully considered and mitigated as practicably as possible.
- 15.3. Records should be retained for a significant period of time in order to comply with the local law as well as KPS's retention policy.

16.0 ADHERENCE TO THIS POLICY

- 16.1. All employees are responsible for adherence to this Policy and performing duties in lawful manner as well as in reporting and escalating promptly any concern and issues relating to corruption and bribery. Since the principles of this Policy, are based on legal requirements, the consequences of bribery and corruption are severe, and may include imprisonment for individuals, unlimited fines, debarment from tendering for public contracts, and damage to the KPS Group's reputation. Therefore, KPS take its legal responsibilities very seriously.
- 16.2. Any alleged or suspected improper conduct must be reported immediately to the Head of Department and/or Legal and Compliance Department. Or if any party who have concern with regards to any malpractices or breach of this Policy can lodge their concern via a dedicated whistleblowing channel which will be evaluated and investigated independently.
- 16.3. Any employee found to have violated this Policy may be subject to disciplinary action, up to including termination of employment or contract, with or without prior notice or warning. In addition, KPS Group reserve the right to pursue any remedies available, at law or in equity, for violations of this Policy.

17.0 EXCEPTION

Any exception from this Policy shall require the approval of the Board unless they are deemed as operational in nature.

KUMPULAN PERANGSANG SELANGOR BERHAD
ANTI-BRIBERY AND CORRUPTION POLICY

Appendix I: Definition

Terms	Definition
Board of Directors	means Board of Directors of KPS
Bribery & Corruption	means any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (MACCA 2009). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation. Bribery may be 'outbound', where someone acting on behalf of KPS attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be 'inbound', where an external party is attempting to influence someone within the KPS Group such as a senior decision-maker or someone with access to confidential information.
Compliance	means conformity with requirements under law or contract terms affecting the Group's operations locally and abroad.
Donation	An especially charitable gift, contribution, subscription, present, hand out, grant, offering, gratuity, endowment or other similar donation that can be perceived by a third party, to be for the purpose of bribery even if neither the giver nor the receiver intended it to be for this purpose. It can include giving or providing cash, venues, equipment, personnel time or other benefit.
Gift	Money, movable or immovable property, vehicle, shares, travel tickets, entertainment, service, club membership, any form of discounts or commissions, hampers, jewellery, ornament, any gifts, souvenirs, or anything of value which is given to or received by an officer, his or her spouses or any other person on his behalf, without any or insufficient consideration known to the officer.
Hospitality	A generous and friendly treatment, reception or entertainment that can be perceived by a third party, to be for the purpose of bribery even if neither the giver nor the receiver intended it to be for this purpose.
Key Management	Refers to person in any of the following positions: <ul style="list-style-type: none"> • Managing Director / Group Chief Executive Officer (MD/GCEO) • Deputy Chief Executive Officer(s); and • Head of Department (HOD)
KPS or the Company	<ul style="list-style-type: none"> • means Kumpulan Perangsang Selangor Berhad
KPS Group or the Group	means KPS and its subsidiary companies collectively, as defined in Section 4 of the Companies Act 2016
Legal and Compliance Department	means Legal and Compliance Department of KPS
Policies	Policies as issued and approved by the Board of Directors governing the conduct and management of KPS

Appendix 2: Types of Corruption

The United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators lists the more commonly encountered forms of corruption, which include:

a) Petty Corruption

Also known as administrative corruption, it involves the exchange of very small amounts of money and the granting of small favours.

b) Grand Corruption

Spreads through the highest levels of government, bringing about major abuses of power, disobedience of the rule of law, economic instability and the breakdown of good governance.

c) Active and Passive Corruption

The former refers to the act of offering or paying a bribe (where the payment of a bribe has taken place) and the latter refers to the request or receiving of a bribe (a bribe was offered but not accepted).

d) Bribery

Most common form of corruption, described as the act of conferring a benefit in order to influence an action or decision. It comes in the form of cash, company shares, inside information, sexual or other favours, entertainment, employment or future benefits such as a retirement job. The benefit can pass directly to the person bribed, or indirectly to a third party such as a friend, relative, associate, favourite charity, private business, political party or election campaign. Once bribery has occurred, it can lead to other forms of corruption.

e) Embezzlement, Theft and Fraud

Involves stealing by an individual exploiting his or her position of employment. Fraud involves the use of false or misleading information to induce the owner of property to part with it voluntarily. Theft is universally regarded as falling within corruption definitions where it occurs, carrying with it as it does, a breach of a fiduciary duty.

f) Extortion

Relies on coercion to induce cooperation, such as threats of violence or the exposure of sensitive information.

g) Abuse of Function

Performance of or failure to perform an act by a public official, in violation of the law, to obtain an undue advantage for himself/herself or for another person or entity.

h) Favouritism and Nepotism

Involve abuses of discretion, usually does not involve a direct personal benefit to an official but promote the interests of those linked to the official, be it through family, political party, tribe or religious group.

i) Creating and Exploiting Conflicting Interest

Most forms of corruption involve the creation or exploitation of some conflict between the professional responsibilities of an individual and his or her private interest. The offering of a bribe creates such a conflict where none may have existed hitherto. In both the public and private sectors, employees and officials are routinely confronted with circumstances in which their personal interests conflict with their responsibility to act in the best interests of the state or their employer. Well-run organisations have systems to manage these situations, usually based on clear codes of conduct.

j) Improper Political Contribution

Donations made with the intention or expectation that the party will, once in office, unduly favour the interests of the donor, is tantamount to the payment of a bribe.