

**SERN KOU RESOURCES BERHAD [Registration No. 200001016496 (519103-X)]  
ANTI-BRIBERY AND ANTI-CORRUPTION POLICY (“ABAC POLICY”)**

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**1. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY STATEMENT**

Sern Kou Resources Berhad and its subsidiaries companies (collectively, “SKRB”) is committed to:

- (i) practice the highest level of integrity and ethics;
- (ii) comply fully with the applicable laws and regulatory requirements on anticorruption; and
- (iii) manage the key corruption risks of the Company effectively.

SKRB believes that bribery, corruption and corrupt practices have detrimental impact not only on business by undermining good governance and distorting free markets but in larger spectrum damage societal setup economically.

SKRB has adopted a zero-tolerance approach against all forms of bribery and corruption. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business.

**2. SCOPE**

This policy applies to all Directors and employees of the SKRB. It also applies to the officers, consultants, supplier, subcontractors, agents or any other person associated with or acting on behalf of the Group whereby compliance is required under the applicable laws.

**3. CONFLICTS OF INTEREST**

Conflict of Interest (“COI”) means when a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making at SKRB.

Employees and Directors shall avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between SKRB and external parties.

In situations where a conflict does occur, personnel shall declare the matter to Administrative Department and management.

**4. GIFTS, ENTERTAINMENT, HOSPITALITY AND TRAVEL**

“**Corporate Gift**” means something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the Company’s brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the Company name and logo. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads and plaques.

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“**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 such as Company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment.

SKRB adopted “NO GIFT” policy. Employees, Directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts. SKRB personnel shall inform external parties dealing with to adhere Company’s “NO GIFT” policy.

Accepting or providing a gift on behalf of SKRB is allowed only in very limited circumstances and shall get approval from the Managing Director (“MD”) or Executive Director (“ED”), personnel shall declare the gift receiving and providing to Administrative Department.

The approval shall exercise proper care and judgement to ensure that the following conditions are taken into account:

- (i) do not have or are perceived to have (by either the giver or the receiver) any effect on actions or decisions;
- (ii) independent business judgment of the intended recipients not affected; and
- (iii) no corrupt / criminal intent involved.

SKRB’s Directors and eligible employees shall always exercise proper care and judgment when providing entertainment and hospitality to third parties especially when it involves public officials to ensure compliance with anti-bribery and corruption laws.

**5. DONATIONS AND SPONSORSHIPS, POLITICAL DONATIONS**

“**Donation & Sponsorship**” means charitable contributions and sponsorship payments made to support the community. Examples include sponsorship of educational events, supporting NGOs, and other social causes.

SKRB prohibits the giving and receiving of donations and sponsorships used as a subterfuge for bribery and/or influence company’s business decisions.

All donation & sponsorship made shall comply with the following:

- (i) authorised by the MD or ED;
- (ii) allowed by applicable laws; and
- (iii) made to well-established organisations.

SKRB does not make or offer political contributions to political parties.

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**6. FACILITATION PAYMENTS**

“**Facilitation Payments**” means small sums, unofficial payment made to secure or expedite a routine government action by a government official.

SKRB’s personnel shall not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. The personnel must report it to the Head of Department, MD or ED in the following events:

- i) the personnel receive a request or offered facilitation payments;
- ii) if a payment has been made and personnel are unsure of the nature; or
- iii) a payment made in the good faith belief that life, health or safety may be in imminent danger is not a Facilitation Payment but must be reported as noted above and recorded in accounts.

**7. ANTI-MONEY LAUNDERING AND ANTI-TERRORISM FINANCING**

SKRB’s personnel, internal stakeholders and business associates shall not involve in money-laundering and terrorism financing activities directly or indirectly.

**8. REPORTING OF VIOLATION AND WHISTLEBLOWER POLICY**

Any concerns, questions or reports should be addressed to their immediate Head of Department or Administrative Department and Internal Audit. Any party who has concern with regards to any malpractices or breach of SKRB’s ABAC policy can lodge their concern via a dedicated whistleblowing channel which will be evaluated and investigated independently. Protection to whistleblower as well as the SKRB’s Whistleblowing Policy is available at corporate website as follow:

<https://www.sernkou.com/sernkougroup/wp-content/uploads/2021/02/Whistleblowing-Policy-24-Feb-2021.pdf>

**9. SANCTION FOR NON-COMPLIANCE**

SKRB regards bribery and acts of corruption as serious matters. Non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event that the Group’s interests have been harmed as a result of non-compliance.

For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that SKRB’s interests have been harmed by the results on non-compliance by individuals and organisations.

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**10. COMPLIANCE AND CONTINUOUS IMPROVEMENT**

Top management of SKRB shall review and assess this policy in periodic basis to ensure its scope, policies, procedures and controls match the bribery and corruption related risks faced by the Company. Employees and Directors will be fully informed of any material revisions to this policy.

Any concerns on the improvement of this policy can be channeled to Administrative Department.

**11. RECORD KEEPING**

All financial and non-financial records and documentation relating to dealing with third parties should be prepared and maintained.

**12. TRAINING AND AWARENESS**

(i)	Existing personnel	:	SKRB shall conduct an awareness programme for all its personnel on how to implement and adhere to SKRB ABAC policy.  All existing personnel will be fully informed of any material updates to this policy.
(ii)	New employees	:	Training on SKRB ABAC policy shall forms part of the orientation process for all new employees.

**13. ABAC REPORTING, APPROVAL AND CONFLICT OF INTEREST DECLARATION PROCEDURE**

**13.1 REPORTING AND DECLARATION REQUIREMENTS**

**13.1.1 ABAC-RELATED TRANSACTIONS**

Employees must report any donations they receive or provide by completing the ABAC Declaration Form.

For other items such as gifts, entertainment and hospitality, travel, and sponsorships, employees must ensure proper disclosure through the relevant documentation, including payment vouchers or internal approval forms, in accordance with the ABAC Policy.

**13.1.2 CONFLICT OF INTEREST AND POTENTIAL CONFLICT OF INTEREST**

All Directors and Senior Management are required to declare any actual or potential COI on a half-yearly basis or as and when such conflict arises.

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**13.2 APPROVAL PROCESS**

- 13.2.1 The completed ABAC Declaration Form for donations, or any related payment voucher or supporting documentation for other ABAC-related items, must be reviewed and signed off by the MD or ED.
- 13.2.2 All COI and Potential COI declaration forms submitted by Directors and Senior Management shall be reviewed by the Audit Committee (“AC”).

**13.3 COMPILATION AND RECORD-KEEPING**

The Finance Department and the Chief Financial Officer (“CFO”) are responsible for:

- 13.3.1 Compiling all approved ABAC declaration forms, payment vouchers, and COI declaration forms.
- 13.3.2 Maintaining a central ABAC Register containing the following information for each transaction:
- Date
  - Nature/description of the item or interest
  - Employee/Director name and designation
  - Receiving or related party and their nature
  - Item or interest description
  - Purpose
  - Amount

**13.4 PERIODIC REVIEW**

- 13.4.1 The ABAC Register shall be reviewed quarterly by the AC to ensure completeness, accuracy, and compliance with the ABAC Policy.
- 13.4.2 The COI and Potential COI declarations submitted by Directors and Senior Management shall be reviewed by the AC on a half-yearly basis.