



## ANTI-BRIBERY, ANTI-CORRUPTION AND WHISTLEBLOWING POLICY

### ANTI-BRIBERY GUIDELINE

#### I. PREAMBLE

The Group's reputation and good standing in the society are substantially dependent on its employees whom should and must act and behave responsibly.

Therefore, each and every employee of the Group undertakes and declares to abide to the statutory regulations and requirements governing the anti-bribery offences in Singapore, Malaysia and/or any countries that the Group might be operating in. This Anti-Bribery Guideline ("ABG") provides details regarding ethical business conducts as well as compliance with the relevant laws and regulations. All employees should adhere to this ABG and also educate our business associates in the adherence of the ABG. At the same time, employees and business associates shall report or whistle blow any violations of the ABG in accordance with the Group's prescribed whistleblowing reporting channel and procedures.

If you have any doubt about the application of this ABG, please contact our representatives in the Corporate Liability Working Group ("CLWG").

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#### II. PURPOSE

The purpose of this ABG is to establish controls to ensure compliance with all applicable anti bribery and anti-corruption regulations in Singapore, Malaysia and/or any countries that the Group might be operating in and to ensure that the Group's business is conducted in a morally and legally responsible manner.

#### III. POLICY STATEMENT

It is our policy that the Group shall conduct its business honestly and ethically. The Group does not tolerate any bribery and corruption and is committed to act professionally, fairly and with integrity in all our business dealings and relationships. In achieving this, the Group has implemented, operated and enforced effective systems to counter bribery and corruption in accordance with the practices defined in the ABG.

#### IV. SCOPE

This ABG defines the Group's practices on receiving and offering gift, hospitality and entertainment, referral, facilitation, sponsorship, and donation. These Guidelines apply to all members of the Group which include the Directors, management, officers and employees (whether permanent or temporary).

##### a. GIFT POLICY

A gift may include, but not limited to, cash or cash equivalents, vouchers, watches, art paintings, souvenir, decorative items, electronic items and etc. The Group adopts a "No Gift" policy. This policy arises to avoid actual and appearance of conflict of interest which may affect the objectivity when making a decision. Accordingly, Directors, employees and their immediate family members shall not solicit, request, or receive gifts from or offer gifts to their business associates and public officials. Nonetheless, there are few exceptions whereby gift giving and receiving may be allowed in the following situations:

- i. Gifts value not more than RM200;
- ii. Exchange of gifts of equivalent value or as part of a public presentation/ceremony;
- iii. Gift giving or receiving during official functions, events and celebrations such as door gift, lucky draw gift of not more than RM500; or
- iv. Items bearing a company's logo.

In a situation where a third party insists to offer gifts with value more than RM200 to Directors and employees or the family members of the Directors and employees, the Directors and employees are obligated to record the activity or details relating to gifts in 'Gift Receiving Approval Form' for CEO's and CFO's approval. (Please refer to Appendix A on the Gift Receiving Approval Form).

If approval is obtained, the gift must be shared among all employees in the department.

However, if approval is not given, then, the gift must be:

- i. Politely returned with a note of explanation about the Group's Gift Policy; or
- ii. Donate the gift to charity.

##### b. HOSPITALITY & ENTERTAINMENT

Often, hospitality and entertainment activities provided by the Company may include hosting meals, and providing accommodation for customers, business partners and/or government officials. Employees of the Group may also receive hospitality and entertainment benefits from business partners as part of the ordinary course of business.

As a guide, hospitality and entertainment with value more than RM300 per person should not be provided or received. When providing or receiving hospitality and entertainment treatment of more than the prescribed amount, pre-approval should be obtained with reasons and justifications by both CEO and CFO. If approval could not be given, the respective heads are obligated to refuse politely with explanation.

However, this hospitality and entertainment policy does not apply to any travel by employees for operational or business purposes which shall be subject to the procedures and approval for reimbursable expenses.

**c. REFERRAL**

Referral can be a fee or benefit given to a party as a gratitude for referring a job, project, customer and employee.

**C1) Government Officials**

The Group has “zero referral fee payment” policy for all government officials and individuals representing any regulatory authorities.

**C2) Private Entity**

The commercial payment of referral fee to private entities or individuals shall subject to approval by both CEO and CFO. Upon approval, an agreement must be prepared which clearly disclose with the amount of referral fee or commission or benefit to be paid or the methods or approach in deriving such fee, commission and/or benefit. No employees shall request or receive any referral fee, commission or benefit from our business associates on personal capacity.

Thereafter, all referral fees shall be recorded and documented. A summary of all referral fee, commission or benefit should be compiled for review by the Audit Committee on a periodic basis.

**d. FACILITATION**

Facilitation payment is payment made in order for some actions or process to be made expeditiously to benefit the Group such as during license or permit application processes. Our Group does not tolerate any form of facilitate payment nor accept facilitation payments directly or indirectly from any person.

In situations where employees are forced to make facilitation payments, employees, Directors, or agents acting on behalf of the company should first try to excuse themselves as best as they could. However, if such payments were provided under force, duress and/or threats, employees, Directors, or agents acting on behalf of the company must subsequently make an immediate report or whistle

blow the incident accordingly such that the Company’s management, Board of Directors and/or Audit Committee can take the necessary actions.

**e. SPONSORSHIP**

Sponsorship is an arrangement to support an event or activity by contributing money or benefit in kind as part of the Group’s corporate social responsibility. Examples of sponsorship are sponsoring for annual dinners, sport competition, venue, and any other events or activities.

Donations must be documented in the 'Sponsorship and Donation Requisition Form'. (Kindly refer to Appendix B for the Sponsorship and Donation Requisition Form). All sponsorship activities must be legitimate. Sponsorship above RM1,000 but below RM10,000 must be approved by both CEO and CFO. Whereas sponsorship above RM10,000 shall be subjected to CEO, CFO and the Board's approval collectively to ensure such sponsorship contributed or received are reasonable and appropriate to safeguard the reputation of the Group from any allegations of bribery. All sponsorship should be compiled and reviewed by Audit Committee on periodic basis.

In order to promote transparency, all sponsorship should be recorded, documented and disclosed in Annual Report. In addition, the Company should also request for a formal documentation or receipt to certify/endorse the sponsorship provided by the Group.

**f. DONATION**

Donations are contribution in the form of monetary benefits or equivalent, equipment, or other benefits to a fund, charity causes as part of our Group's corporate social responsibilities. All donations made or received should not be used as a camouflage for bribery or used to circumvent bribe or money laundering, or use to disguise illegal payments such as facilitation payments and not funding for illegal and terrorism activities.

Nonetheless, the Group would not make donations or political contributions to any political related parties or individuals such as government officials, regulatory bodies, authorities, and any related parties thereof.

Donations must be documented in the 'Sponsorship and Donation Requisition Form'. (Kindly refer to Appendix B for the Sponsorship and Donation Requisition Form). Donations above RM1,000 but less than RM10,000 must be pre-approved by both CEO and CFO. Donation above RM10,000 should be approved by CEO, CFO and the Executive Board. If approved, donations received by the recipient should be recorded, documented and disclosed with reasons and amount in Annual Report for transparency and traceability purposes. If donation received is not approved, the HOD or CEO is obligated to refuse politely with explanation or re-donate the donation to other charitable courses. All donation should be compiled and reviewed by Audit Committee on a periodic basis.

**Appendix A**



**GIFT RECEIVING APPROVAL FORM  
FOR GIFT ABOVE RM200**

Receiver Name		Date	
Position		Dept	
Sponsor Company		Contact No	
Sponsor Name		Email	
Nature of Gift		Amount	
Reason for receiving gift			
Signature of Receiver			

Approved by	
<b>Chief Executive Officer</b>	<b>Chief Financial Officer</b>

**Appendix B**



**SPONSORSHIP & DONATION REQUISITION FORM**

Requestor Name		Date	
Position		Dept	
Receiver Company		Contact No	
Name of Receiver		Email	
Nature of Gift		Amount	
Reason for sponsorship or donation			
Signature of Requestor			

Approved by		
<b>Chief Executive Officer</b>	<b>Chief Financial Officer</b>	<b>BOARD (if &gt; RM10K)</b>

## **CORRUPTION PREVENTIVE POLICY AND FRAMEWORK**

### **I. INTRODUCTION**

The Group adopts ZERO TOLERANCE approach toward bribery and corruption. It is our policy that the Group shall conduct its business honestly and ethically. The Group is committed to act professionally, fairly and with integrity in all our business dealings and relationships. In achieving this, the Group aims to implement, operate and enforce an effective system and framework to counter bribery and corruption.

Any engagement of bribery and corrupt practices can have severe repercussions and consequences which include dismissal, fines and imprisonment for our board of directors (the “Board”) and/or employees while the Group may suffer damage to reputation, financial loss and disbarment from business. Therefore, we do not tolerate any forms of corruption, practices or actions, whether directly or indirectly.

In order to establish adequate structure and procedures to prevent corrupt practices in the Group, we have developed this Corruption Preventive Policy and Framework (“CPPF”) based on the principles outlined in the Guidelines on Adequate Procedures (“GAP”) issued by the Prime Minister Department of Malaysia.

The CPPF comprises six (6) main sections below:

- i. Policy Matters and Communication;
- ii. Whistleblowing;
- iii. Risk Assessment and Internal Control;
- iv. On-Boarding Screening Process;
- v. Awareness and Training; and
- vi. Review and Monitoring.

The objectives and the respective Board’s and Management’s responsibilities of each section is elaborated in the following pages.

Though the CPPF is intended to apply to every director, senior management and employees of the Group (including temporary and part-time employees), joint-venture companies in which the Company has a non-controlling interest and associated companies are encouraged to adopt the CPPF as well.

Similarly, the Group also expect that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group will comply with the relevant sections of the CPPF when performing their work or services.

If you have any queries about the CPPF, please contact our representatives in the Corporate Liability Working Group (“CLWG”).

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## II. POLICY MATTERS AND COMMUNICATION

### a) Objective

The corruption preventive policy matter is a Board’s matter.

The Board has towards this end defined and laid down its CPPF, Code of Conduct and Ethics (“CCE”) and Anti-Bribery Guide (“ABG”) setting the “tone from the top” and core principles and guidance to deal with corruptions. The issues and procedures on how to prevent improper solicitation, bribery as well as the Board’s and Management’s responsibilities are set out therein.

As a matter of policy, the Board expects all its contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group to understand and comply with the relevant parts of the CCE and ABG when performing their work or services. Similarly, the Board strongly encourages all joint ventures and associated companies of the Group to adopt similar or higher standards of principles on corruption prevention.

### b) Audit Committee (“AC”) and Board’s Responsibility

The AC and Board are primarily responsible to:

- i. Establish, maintain, and periodically review the effectiveness and adequacy of its anti-corruption compliance policies and programme comprising primarily the CPPF and ABG to address corruption risks;
- ii. Practise the highest level of integrity and ethics by promoting professionalism in everything they do;
- iii. Keep abreast and ensure full compliance with the applicable laws and regulatory requirements on anti-corruption;
- iv. Ensure management effectiveness in executing the anti-corruption compliance policies and programme;



## II. POLICY MATTERS AND COMMUNICATION (CONT'D)

- v. Ensure that the authority and independence of the oversight function on anticorruption compliance policies and programme are appropriate; and
- vi. Ensure the Group's anti-bribery policies are made publicly available, and appropriately communicated to all personnel and business associates.

### c) **Management's Responsibility**

The Management is responsible to ensure, enhance and implement, *inter alia*:

- i. anti-corruption compliance policies and programme that adequately address corruption risks;
- ii. Financial controls, such as separation of duties and approval limit of transactions;
- iii. Organisational controls on segregation of duties and tender and quotation procedures;
- iv. Record keeping and documentation related to anti-corruption initiatives and activities; and
- v. Communicate the Group' policies and commitments on anti-corruption to both internal and external parties.

### d) **Communication**

When planning strategies for communicating the Group's position on anti-corruption, management should take into account the key points that should be communicated; to whom they should be communicated; how they will be communicated\*; the timeframe for conducting the communication plan; and what languages the materials will be communicated in.

**\*Note:**

The communication may be conducted in a variety of formats and mediums including but not limited to:

Messages on the organisation's intranet or website;

Emails, newsletters, posters;

Code of business conduct and employee's handbooks;

Video seminars or messages; and

Town-hall sessions.

### III. WHISTLEBLOWING

#### a) Objective

The Group's whistleblowing policy (which is published in the corporate website at <https://southernallianceminig.com/>) aims to provide guidance and comfort to whistle blowers for reporting wrongdoings and violation of the CCE and ABG.

#### b) AC and Board's Responsibility

The AC and Board are responsible to:

- i. Ensure the establishment of an accessible and trusted whistleblowing channel, which may be used anonymously, for internal and external parties to raise concerns in relation to real or suspected corruption incidents;
- ii. Establish a secure information management system to ensure the confidentiality of the whistleblower's identity and the information reported in order to avoid retaliation against those making reports in good faith;
- iii. Determine appropriate methods for conducting investigation; and
- iv. Initiate appropriate disciplinary and legal actions against the wrong doers.

#### c) Management's Responsibility

Member of management who is being identified by the AC and/or Board to conduct investigation shall ensure the confidentiality of and no repercussions to the whistleblower. Member of the Management shall also report solely to the AC and/or Board and should not inform or notify any individual that is the subject of the investigation.

### IV. ON-BOARDING SCREENING AND REVIEW PROCESS

#### a) Objective

The objective of on-boarding screening is to monitor the Group's corruption risk exposure in relation or prior to its dealing with those high risk business associates such as government authorities, purchasers, contractors and suppliers in the course of business.

#### b) AC and Board's Responsibility

The AC and Board should ensure the establishment of adequate on-boarding screening procedures for the Group's business associates and manage on-going monitoring of transactions with those high risk individuals.

**c) Management's Responsibility**

Management should establish, implement and enhance the on-boarding screening process. On-boarding screening should be used before making any decision to sell, purchase or engage a service provider, or to appoint a commercial agent or distributor. If it becomes clear or appears likely during the course of the relationship that these parties are engaging in inappropriate or illicit practices, management should decide if they should stop their relationship with these parties immediately.

**V. TRAINING AND AWARENESS**

**a) Objective**

The objective of training and awareness is to educate employees and business associates about the Group's anti-corruption position and to create consciousness of refraining from engaging in bribery and corrupt activities in them.

In this respect, all directors, senior management, employees and business associates shall at minimum be familiarised with the Group's structure, procedures and objectives of the CPPF which include the ABG, whistleblowing policy and on-board screening process ("the minimum training").

**b) AC and Board's Responsibility**

The AC and Board should:

- i. Ensure that all Board members and key stakeholders of the Group receive the minimum training on a regular basis; and
- ii. Evaluate and ensure the appointment of competent and qualified trainer or members of management to conduct such minimum training to its employees and business associates.

**c) Management's Responsibility**

Management is required to:

- i. Implement "Train-The-Trainer" session to identify suitable trainer for conducting the minimum training;
- ii. Schedule annual training session and identify the trainers and participants;
- iii. Incorporate the minimum training into Group's induction trainings and briefings to all new employees; and
- iv. Perform training need analysis and recommend the types of training enhancement and format\* needed for the approval of the Board.

**\*Note:**

The training may be conducted in a variety of formats, including but not limited to:

Induction programs featuring anti-corruption elements;

Role-specific training, which is tailored to corruption risks the position is exposed to;

Corporate training programs, seminars, videos and in-house courses;

Intranet or web-based programs;

Town hall sessions;

Retreats; and

Out-reach programs.

## VI. RISK ASSESSMENT AND INTERNAL CONTROL

### a) **Objective**

The objective of corruption risk assessment is to identify corruption risk exposure to and gap for improvement in the Group's CPPF and systems of internal control to prevent and detect bribery and corrupt activities.

### b) **AC and Board's Responsibility**

In order to mitigate the corruption risks exposure of the Group, the AC and Board should:

- i. Review the Group corruption risk exposures periodically or when there is change in law, circumstance of the business and the profile of the business associates. The result of this review should also be used to enhance the Group's CPPF continuously.
- ii. Ensure the establishment of effective internal control procedures on:
  - Tender and quotation;
  - Related party transaction;
  - On-boarding screening; and
  - Payment approval.
- iii. Seek assurance that CPPF is functioning effectively in managing corruption risks from its Audit Committee or Risk Management Committee.

**c) Management's Responsibility**

Management has the overall responsibility to establish, maintain and enhance the effectiveness of the Group's system of internal controls to counter bribery. This system of internal controls shall not be limited to financial and organisational checks and balances over the Group's accounting and recordkeeping practices and other business processes, but also secure the confidentiality of whistleblowers and the information provided, accuracy and completeness of information used in the onboarding assessment as well as the information published in the website concerning the Group's anti-corruption policies.

**VII. REVIEW, MONITORING AND ASSESSMENT**

**a) Objective**

Review, monitoring and assessment should form the basis of Board and management efforts to improve and enhance the existing anti-corruption framework or CPPF in place.

**b) AC and Board's Responsibility**

The AC and Board should ensure that the Group establishes a monitoring plan covering the scope, frequency, and methods for review and the appointment of competent team to assess organisation's anti-corruption framework.

As part of these review and monitoring processes, the Board shall assess the performance of management and employees in relation to the anti-corruption policies and procedures to ensure their understanding and compliance with the organisation's stance in their respective roles and functions.

The Board may perform its function on review, monitoring and assessment of the CPPF by delegating this function to the Audit Committee or Risk Management Committee.

**c) Management's Responsibility**

Management should:

- i. Identify and appoint key gate keepers with the Group overseeing the CPPF on a day-to-day basis;
- ii. Document, maintain and make available for inspection of records of all financial transactions and activities that took place in implementing the CPPF;
- iii. Regularly review and assess its performance, efficiency and effectiveness in relation to the anti-corruption framework and enforcement thereof;
- iv. Ensure that the results of any reviews of CPPF, counter measures and recommendations are reported to the Board and acted upon; and
- v. Update the AC and Board about its new enhancement initiatives and status on CPPF.

## WHISTLE BLOWING POLICY AND PROCEDURES

### 1.0 INTRODUCTION

Southern Alliance Mining Ltd. and its subsidiaries (the “Group”) are committed to maintaining and achieving a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements, and any legislation relating thereto to uphold the Group’s corporate integrity and to conduct its affairs responsibly and ethically.

In order to achieve the above, the Board has developed measures, including this whistle blowing policy and procedure (the “Policy”). This Policy is meant to guide all employees and stakeholders to report any wrongdoings and improper conduct and to provide protection to them accordingly. In addition, this Policy aims to offer reassurance that employees and external parties will be protected from reprisals or victimisation for whistle blowing in good faith.

This Policy is intended to conform to the guidance set out in the Singapore Code of Corporate Governance as well as other applicable rules and regulations in Malaysia (or where the Group might be operating in), which encourages employees to raise concerns, in confidence, about possible irregularities.

### 2.0 APPLICATION

This Policy is applied to the reporting of, but not limited to the following:

- Concerns about the Group’s accounting, internal controls or auditing matters;
- Breach of failure to implement or comply with the Group’s policies or code of conduct;
- Impropriety, corruption, acts of fraud, theft and/misuse of the Group’s properties, assets or resources;
- Conduct which is an offence or breach of law;
- Abuse of power or authority;
- Serious conflict of interest without disclosure;
- International provision of incorrect information to public bodies;
- Any other serious improper matters which may cause financial or non-financial loss to the Group, or damage to the Group’s reputation;
- Fraud against investors, or the making of fraudulent statements to the Singapore Exchange Securities Trading Limited, members of the investing public and government or state authorities;
- Acts to mislead, deceive, manipulate, coerce or fraudulently influence any internal or external accountant or auditor in connection with the preparation examination, audit or review of any financial statements or records of the Group; and ☐ Concealing information about any malpractice or misconduct.

The above list is intended to give an indication of the kind of conduct which might be considered as “wrong-doing”. In cases of doubt, the whistleblower should seek to speak to his or her immediate superior or follow the procedure for reporting under this Policy.

This Policy does not override the existing Group Human Resource Grievance Procedure and the Disciplinary Action Procedures. Instead, this Policy aims to provide more avenues for employees and stakeholders to report any improper conduct committed or to be committed. The Group expects the whistleblower to provide his/her concern in good faith and to show to the appropriate officer that there are sufficient grounds for his/her concerns.

### **3.0 WHISTLE BLOWING CHANNEL**

All employees and stakeholders who knows of, or suspects a violation of the Code may report the incidence to the Audit Committee Chairman or the Lead Independent Director by emailing to [honestsam@whistleblower.com.my](mailto:honestsam@whistleblower.com.my) or posting to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur. Employees and stakeholders may use the report form which is appended to this Policy. These channels of reporting are maintained by an independent service provider ensuring the integrity of the reporting channel.

### **4.0 WHISTLEBLOWER REPORTING PROCEDURES**

The general principles governing this whistle blowing are as follows:-

- The whistle blower may identify himself or herself or remain anonymous when reporting suspected and/or known misconduct and wrongdoings;
- The identity of the whistle blower and all concerns raised would be treated as private and confidential in order to protect the whistle blower from harassment resulting from the reporting. However, the whistle blower may be required to come forward as a witness in accordance with any applicable laws and regulations; and
- The Whistle blower and any persons related or associated with the whistle blower are protected against any detrimental action in reprisal for reporting improper conducts. However, this protection would not be extended to someone who maliciously raises matter he/she knows is untrue. Employees who are found making false, frivolous and/or malicious allegations shall be subjected to disciplinary actions by the Company.

### **5.0 INVESTIGATION AND OUTCOMES**

All complaints shall be acknowledged within [5] working days upon receipt and the Audit Committee will discuss and assess on the action and investigation on the complaints received based on, *inter alia*, the severity of the issue raised, the credibility of the concern or information and likelihood of confirming the concern or information from attributable source. Upon assessment, the Audit Committee shall decide the appointment of suitable investigator/professional party from within or outside the Group to review each complaint and pursue it to the extent that the information and evidence received allows.

Upon completion of investigation, the Audit Committee Chairman or the Lead Independent Director shall decide the appropriate actions for:

- a. Informing the whistleblowers the status of the findings;
- b. Initiating disciplinary action against any persons who has committed improper conducts;
- c. Making a police report where the improper conduct constitutes a criminal offence; and
- d. Recommending steps to prevent similar situation from repeating in the future.

#### **6.0 FURTHER CLARIFICATION**

Employees and stakeholders who require clarification on the Policy may contact our representatives in the Corporate Liability Working Group or email his/her queries to [honestsam@whistleblower.com.my](mailto:honestsam@whistleblower.com.my)

#### **7.0 UPDATES AND AMENDMENTS**

The Group reserves the right to amend this Policy from time to time.

END OF POLICY