



REAL ESTATE INVESTMENT TRUST

**AXIS REIT MANAGERS BERHAD**  
(200401010947 (649450-W))

**the Management Company of**  
**AXIS REAL ESTATE INVESTMENT TRUST**

# **ANTI- CORRUPTION & FRAUD POLICY**

**APPROVED BY THE BOARD OF DIRECTORS ON 20 MAY 2020**  
**(Updated on 23 July 2024)**

## **Definitions**

<b>Applicable Laws</b>	any laws, regulations, rules and official requirements applicable to Axis REIT Managers Berhad and/or Axis-REIT as amended from time to time;
<b>Axis-REIT</b>	Axis Real Estate Investment Trust;
<b>Board</b>	the board of directors of Axis REIT Managers Berhad;
<b>Personnel</b>	all employees of Axis REIT Managers Berhad (permanent, temporary and interns) and members of the Board;
<b>Policy</b>	this Axis REIT Managers Berhad's Anti-Corruption & Fraud policy, as may be amended from time to time;
<b>Third Party(ies)</b>	any individual or organization the Company (whether acting as the management company of Axis-REIT or for its own account) engages with, including but not limited to tenants, trustees, suppliers, vendors, business contacts, advisors, contractors, consultants, agents, representatives and any other third parties performing work or services for or on behalf of the Company, as the case may be.

## **Introduction**

**Axis REIT Managers Berhad (“Company”) has adopted a zero-tolerance policy against all forms of bribery and corruption.** We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, and will constantly uphold all laws relating to anti-bribery and corruption.

The Company is bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act 2009**”) (as amended by the Malaysian Anti-Corruption Commission (Amendment) Act 2018). This Policy is issued in line with the Guidelines on Adequate Procedures pursuant to Section 17A(5) of the MACC Act 2009.

The Company, by upholding highest integrity in the workplace also does not condone any illegal and/or fraudulent activity when conducting its business. Any allegations of fraud will be taken seriously, with no exceptions.

This Policy serves as a guideline in:

- (i) recognising and dealing with bribery and corrupt practices that may arise in the course of the Company’s daily business and operations; and
- (ii) enforcing controls to prevent any dishonest and/or fraudulent activity and minimize incidences of fraud or any irregularities,

in furtherance of the Company’s commitment to lawful and ethical behaviour at all times.

As the Company is the management company of Axis-REIT, this Policy shall apply accordingly in respect of all activities, dealings and transactions by the Company in its role for and on behalf of Axis-REIT.

This Policy should be read in conjunction with the Company’s Code of Conduct, Whistle-blowing Policy and Supplier Code of Conduct (“**Existing Policies**”). In the event of any inconsistencies between the Policy and the Existing Policies, the provisions set forth in this Policy shall prevail.

In case of any doubt, the Head of Compliance should be the focal point for enquiry and consultation relating to the issues set forth in this Policy whom, if, necessary, should seek legal advice for clarification or guidance.

An electronic version of this Policy and the Existing Policies are available at the Company’s website, which can be accessed at <https://www.axis-reit.com.my/>.

## **1: Application**

This Policy is intended to apply to the Personnel at all levels of the Company. All Personnel are required to adopt and comply with the Policy during the course of their work. This Policy is also intended to apply to Third Parties who are to comply with the relevant provisions of this Policy in their dealings with the Company and the Personnel.

All Personnel and Third Parties are equally responsible for the prevention, detection and reporting of bribery and other forms of corruption, including fraud or suspected fraud, and are also required to avoid any corrupt, dishonest or fraudulent activities that could lead to a breach of this Policy.

### **1.1 : Responsibilities of Personnel**

- ❖ Read, understand and comply with the Policy.
- ❖ Attend anti-bribery and anti-corruption/fraud training.
- ❖ Help Third Parties understand how the Policy is to be implemented.
- ❖ Raise questions and voice concerns if the Personnel is aware of any suspected violation of laws or internal policies.

### **1.2: Responsibilities of Third Parties**

- ❖ Third Parties who work for and on behalf of the Company and/or Axis-REIT are expected to act in a way that is consistent with this Policy.
- ❖ Prior to the appointment by the Company or the trustee of Axis-REIT (as the case may be), Third Parties must acknowledge and agree to read, understand and comply with the Policy.

**Remember: Pressure or demands due to business conditions are never an excuse for operating outside the law or behaving inconsistent to our Policy and values.**

## **2: Anti-Corruption and Fraud Policy Statement**

The Company pledges to promote the culture of **transparency, fairness and accountability** at the workplace to uphold the highest standard of integrity and governance. The Company will not condone the activities of Personnel who achieve results through violation of the law and unethical business dealings.

In the effort to consistently and continuously fight against the risk of corruption and fraud, the Company is committed to:

- ❖ Providing and maintaining an ethical working environment for all Personnel;
- ❖ Complying with any applicable anti-bribery laws and regulations including this Policy and our other internal policies (if any) pertaining to combating corruption and fraud;
- ❖ Implementing adequate measures to prevent corruption or fraud within the Company including but not limited to independent internal audit reviews being carried out on the Company's operations;
- ❖ Conducting periodic training for all Personnel on any applicable anti-bribery laws and regulations, this Policy and our other internal policies (if any) pertaining to combating corruption and fraud; and
- ❖ Imposing appropriate action against non-compliance with the Policy.

### **3. What is Bribery?**

**Bribery** is the giving or receiving of any **gratification** by any person or an agent of any person. Gratification is defined in the MACC Act 2009, which includes and not limited to the following:

- ❖ Money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- ❖ Any office, dignity, employment, contract of employment or services and agreement to give employment or render services in any capacity;
- ❖ Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- ❖ Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- ❖ 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 incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power of duty; and
- ❖ Any offer, undertaking or promise, whether conditional or unconditional, of any aforementioned gratification.

The following are offences pursuant to the MACC Act 2009: -

#### **Offences by individuals**

- ❖ **Accepting gratification:** any person who by himself, or by or in conjunction with any other person **corruptly solicits or receives or agrees to receive** for himself or for any other person any gratification as an inducement to or a reward for, or otherwise on account of any person doing or forbearing to do anything in respect of any matter or transaction, actual or proposed or likely to take place, or any officer of a public body doing or forbearing to do anything in respect of any matter or transaction, actual or proposed or likely to take place, in which the public body is concerned;
- ❖ **Giving gratification:** any person who by himself, or by or in conjunction with any other person **corruptly gives, promises or offers** to any person whether for the benefit of that person or of another person any gratification as an inducement to or a reward for, or otherwise on account of any person doing or forbearing to do anything in respect of any matter or transaction, actual or proposed or likely to take place, or any officer of a public body doing or forbearing to do anything in respect of any matter or transaction, actual or proposed or likely to take place, in which the public body is concerned;
- ❖ **Accepting gratification by agent:** an agent who **corruptly accepts or obtains, or agrees to accept or attempts to obtain**, from any person, for himself or for any other person, any gratification as an inducement or a reward for doing or forbearing to do, or for having done or forborne to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business;

- ❖ **Giving gratification by agent:** an agent who **corruptly gives or agrees to give or offers** any gratification to any agent as an inducement or a reward for doing or forbearing to do, or for having done or forborne to do any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business; or
- ❖ **Bribery of officer of public body:** any person who offers to an officer of any public body any gratification as an inducement or a reward for the officer voting or abstaining from voting at any meeting of the public body in favour of or against any measure, resolution or question submitted to the public body; performing or abstaining from performing or aiding in procuring, expediting, delaying, hindering or preventing the performance of, any official act, aiding in procuring or preventing the passing of any vote or the granting of any contract or advantage in favour of any person or showing or forbearing to show any favour or disfavour in his capacity as such officer.

**Penalty:** *A fine of not less than 5 times the sum or value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is of a pecuniary nature, or RM10,000.00, whichever is the higher and imprisonment for a term not exceeding 20 years.*

#### **Offence by commercial organization**

- ❖ A commercial organization commits an offence if a **person associated with the commercial organization** corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent **to obtain or retain business** for the commercial organization or **to obtain or retain an advantage** in the conduct of business for the commercial organization.

**Penalty:** *A fine of not less than 10 times the sum or value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is of pecuniary nature, or RM1,000,000.00, whichever is the higher, or to imprisonment for a term not exceeding 20 years or to both.*

#### **Malaysian Anti-Corruption Commission (Amendment) Bill 2018**

##### **Explanatory Statement**

*"The Bill seeks to amend the Malaysian Anti-Corruption Commission Act 2009 ("Act 694"). The main purpose of the amendment is to introduce a new section 17A into Act 694 in clause 4 of the Bill which provides that **a commercial organization commits an offence if any person associated with the commercial organization commits a corruption in order to obtain or retain business or advantage for the commercial organization.** The aim of the new provision is to encourage business and commercial activities being carried out in an environment which is free from corruption and to encourage all commercial organizations to take adequate measures to prevent corruption in their organization."*

## **4: Gifts, Corporate Hospitality and Entertainment**

### **4.1: Gifts**

The Company has adopted a “**No Gift**” Policy whereby the Personnel and Third Parties are prohibited from, directly or indirectly, receiving or providing gifts, subject to exceptions as provided below. The Company recognizes that gifts in any form should never be provided or accepted in order to gain competitive advantage which could be recognised as a bribe.

The Company requires all Personnel and Third Parties acting for or on behalf of the Company and/or Axis-REIT to avoid any conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between the Company and/or Axis-REIT and external parties, as a gift can be perceived as a bribe that may tarnish the Company’s and/or Axis-REIT’s reputation or be in violation of the Applicable Laws.

Nevertheless, the Company is aware that in certain cultures or situations, gift giving is a central part of business etiquette and is a legitimate way to network and build goodwill in business relationships.

The limited circumstances where giving or receiving of gifts (as the case may be) is reasonable and acceptable in the ordinary course of dealing of the Company are as follows:

#### **(A) Giving gifts**

- ❖ Giving small gifts (*e.g. seasonal hampers, food gifts etc.*) during festive seasons (*e.g. Chinese New Year, Hari Raya, Deepavali, Christmas etc.*).
- ❖ Giving corporate gifts (*e.g. diaries, calendars etc.*).
- ❖ Giving door gifts during Company official/business events (*e.g. analyst briefings, social event for real estate agents*).
- ❖ Giving congratulatory gifts (*e.g. flower bouquets etc.*).
- ❖ Giving grievance gifts (*e.g. flower bouquets etc.*).
- ❖ Giving gift vouchers or gift certificates.

In addition, the giving of gifts under the aforesaid limited circumstances must meet the following requirements:

- ❖ The value of the gift given does not exceed the Approved Limit as set out in **Schedule 1(A)**;
- ❖ It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits;
- ❖ It is not made with the suggestion that a return favour is expected;
- ❖ It is given in the name of the Company (including those given on behalf of Axis-REIT) and not in an individual’s name;
- ❖ It does not include cash;
- ❖ It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift;
- ❖ It is given openly, not secretly;
- ❖ It is not selectively given to a key, influential person, clearly with the intention of directly influencing them; and
- ❖ It is not an offer to a government official or representative or politician or political party.

All expenses incurred to provide gifts must be properly documented, receipted and recorded in the Company’s or Axis-REIT’s records in accordance with Section 13 of this Policy.

**(B) Receiving gifts**

- ❖ Receiving small gifts (e.g. seasonal hampers, food gifts etc.) during festive seasons (e.g. Chinese New Year, Hari Raya, Deepavali, Christmas etc.).
- ❖ Receiving corporate gifts (e.g. diaries, calendars etc.).
- ❖ Receiving door gifts during official/business events.
- ❖ Receiving congratulatory gifts (e.g. flower bouquets etc.).
- ❖ Receiving grievance gifts (e.g. flower bouquets etc.).
- ❖ Receiving gift vouchers or gift certificates.

In addition, the receiving of gifts under the aforesaid limited circumstances must meet the following requirements:

- ❖ It is not made with the intention of influencing the Personnel who receives such gift, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits;
- ❖ It is not made with the suggestion that a return favour is expected;
- ❖ It does not include cash;
- ❖ It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift;
- ❖ It is received openly, not secretly; and
- ❖ It is not accepted from a government official or representative or politician or political party.

Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest or the appearance of the same, the gift must be politely returned with a note of explanation about this Policy on gifts.

Any Personnel who receives gifts in the estimated value of **RM1,000 and above** during the course of acting for or on behalf of the Company and/or Axis-REIT must submit a Declaration Form (please refer to **Appendix C**) to the Head of Compliance.

**4.2: Corporate Hospitality and Entertainment**

The Company recognises that providing or accepting corporate hospitality and/or modest entertainment is a legitimate way to network and build goodwill in business relationships. As such, Personnel are allowed to entertain external parties through reasonable acts of hospitality, or occasionally accept a reasonable and modest level of entertainment by external parties, as part of business networking as well as a measure of goodwill towards them.

All corporate hospitality and/or entertainment must be reasonable and commensurate with the recipient's official capacity, and not provided in his/her personal capacity. The Company recognizes that corporate hospitality and entertainment in any form should never be provided or accepted in order to gain competitive advantage which could be recognised as a bribe.

The thresholds for the corporate hospitality and/or entertainment provided to the following persons must be observed:

<b>Tenants</b>	Must not exceed the Approved Limit as set out in <b>Schedule 1(B), Item 1</b>
<b>Financial Institutions</b>	Must not exceed the Approved Limit as set out in <b>Schedule 1(B), Item 2</b>

<b>All other parties (excluding tenants and financial institutions)</b>	Must not exceed the Approved Limit as set out in <b>Schedule 1(B), Item 3</b>
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The acceptance and provision of corporate hospitality and/or entertainment is **strictly prohibited** in the following situations:

- ❖ If it is provided with a view to improperly cause undue influence on any party in exchange for some future benefit or result;
- ❖ If it provides an advantage to another person if offered;
- ❖ If it is given with the intention of inducing the person to perform a relevant function improperly; or
- ❖ If there is knowledge that acceptance of the advantage would in itself be improper performance.

All Personnel should always exercise proper care and judgment when providing or accepting corporate hospitality and/or entertainment to or from Third Parties, especially when it involves public officials to ensure compliance with the Applicable Laws.

All expenses incurred to provide the corporate hospitality and/or entertainment must be properly documented, receipted and recorded in the Company's or Axis-REIT's records in accordance with Section 13 of this Policy.

## **5: What is Fraud?**

"Fraud" is any deliberate act that relies on deception in order to achieve an unlawful financial or personal gain.

### **Examples of fraud includes but not limited to:**

- ❖ Dishonesty, deceit, concealment of truth, breach of trust.
- ❖ Forgery, manipulation, alteration or falsifying of any documents.
- ❖ Misappropriation or misuse of the Company's assets or resources.
- ❖ Disclosure of confidential and proprietary information belonging to the Company, Axis-REIT, Personnel, or Third Party(ies) for personal gain.
- ❖ Theft of intellectual property and trade secrets of the Company and/or Axis-REIT.
- ❖ Intentional or willful making of false representations in business dealings.
- ❖ Any similar or related inappropriate conduct not in accordance with the Company's rules and regulations.

The Board, including the Chief Executive Officer are accountable for the Company's overall governance of fraud risks and to promote a transparent and ethical workplace. Every Head of Department is responsible for integrating fraud risk management into their department's day-to-day activities and operational routines and all Personnel must discharge their duties and responsibilities with integrity.

## **6: Facilitation Payments**

The Company **strictly prohibits** any form of facilitation payments, kickbacks and secret commissions of any nature to be made by the Personnel.

The Company recognises that facilitation payments are payments made to expedite the performance by a person performing a routine or administrative duty or function. Accordingly, Personnel must be made aware that any requests for facilitation payments to be made on behalf or for the benefit of the Company and/or Axis-REIT will not be entertained. If any Personnel receives a demand for a facilitation payment, they must immediately report the incident to the Personnel's Head of Department and/or Head of Compliance, with a brief summary of the incident or allegation. This report must be immediately escalated by the Personnel's Head of Department and/or Head of Compliance to the Chief Executive Officer on the same day.

For the avoidance of doubt, facilitation payment shall not be made on behalf of or for the benefit of the Company and/or Axis-REIT under any circumstances except in the case of a life threatening situation. Any threats and/or facilitation payments made pursuant to such threat should be promptly reported to the Chief Executive Officer or in the absence of the Chief Executive Officer, the Personnel's Head of Department and/or Head of Compliance. A police report should be made immediately.

## **7: Sponsorships and Donations**

### **7.1: Sponsorships and charitable contributions**

Corporate social responsibilities, sponsorships and/or donations must not be a disguise of bribery or conduit to fund illegal activities, which are in violation of the Policy and the Applicable Laws.

Good judgment has to be exercised in assessing requests for sponsorships or donations. Personnel must ensure that all such sponsorships and/or donations are carefully evaluated for legitimacy, such as conducting due diligence on the beneficiary and the purpose of the programme to ensure it meets the intended objectives. Sponsorships and/or donations should not be made to any beneficiary found to be controlled or influenced by any political party or political officials.

Any charitable contribution, sponsorships and corporate social responsibility activities should be reviewed by the the Chief Executive Officer and approved by the Executive Committee of the Company and the Board. Any charitable contribution, sponsorships and corporate social responsibility activities made in the name of Axis-REIT will require additional approval from the trustee of Axis-REIT.

Such activities, if occurred, must be accurately stated and documented in the books and records of the Company or Axis-REIT (as the case may be). When in doubt, the Personnel should seek further advice from the Head of Department and/or Head of Compliance.

### **7.2: Political contributions**

The Company will not make donations, whether in cash, in kind, or any other means, to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

However, Personnel may choose to make personal political contributions as appropriate within the limits established under the Applicable Laws provided that such contribution does not in any way suggest that it is made on behalf of the Company. Accordingly, any mention of the Company in connection with the contribution is strictly prohibited. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Company for a personal political contribution.

## **8: Conflict of Interest**

Conflict of interest arises when an individual's objectivity is compromised or is perceived to be compromised with his/her professional obligation in the Company, by any form of personal interests.

The Company expects its Personnel to perform their duties conscientiously, honestly and in accordance with the best interests of the Company in managing the business of the Company. All Personnel should avoid situations and positions where a personal relationship (e.g. family member, friend) and/or personal benefit influences or appears to influence the Personnel's ability to perform their professional obligations and responsibilities in the Company. All Personnel must also not use their position or the knowledge or information gained as a result of their positions for private or personal advantage.

In the event that a conflict of interest arises or if there is doubt as to the potential conflict of interest:

- (a) the Personnel (other than directors of the Company) should disclose the conflict or possible conflict of interest to their immediate superior/ Head of Department as soon as practicable upon discovery. The supervisor/ immediate superior/ Head of Department will weigh all the facts disclosed in order to determine whether or not a conflict exists. The decision on whether or not the Personnel (other than directors of the Company) may pursue a course of action may be determined by the immediate superior/ Head of Department in consultation with the Chief Executive Officer; or
- (b) the directors of the Company should declare the nature of his/her interest at the relevant meeting where the proposed contract/transaction/proposal is being tabled and immediately notify the company secretary.

Please refer to the Company's Policy on Conflict of Interest Management on the detailed procedures in relation to the management of conflict of interest.

It is not possible to list all situations or relationships which may create a conflict of interest or the appearance of one, so each situation must be evaluated on a case-by-case basis.

A common example of conflict of interest that must be disclosed would be a Personnel who has personal relationship/ interest with a prospective or existing Third Party.

## **9: Dealings with Third Parties**

### **9.1: Due diligence on Third Parties**

The Company's dealings with Third Parties must be carried out in compliance with all Applicable Laws and must be consistent with the values and principles of the Company. As part of this commitment, all forms of bribery, corruption and unethical practices are unacceptable and will not be tolerated.

As such, due diligence should be undertaken on Third Parties to establish their credentials, where warranted by the assessed level of risk. This could include conducting checks and searches via CTOS, Companies Commission Malaysia and/or the Malaysian Anti-Corruption Commission, meeting with the Third Parties to better assess their business practices, and making commercially reasonable

inquiries into their reputation and past conduct prior to any formal engagements with the Third Parties.

The Company expects that Third Parties acting for or on its behalf to share the Company's values and ethical standards as their actions can implicate the Company and/or Axis-REIT legally and tarnish the Company's and/or Axis-REIT's reputation. Where the Company engages Third Parties, it is important for all Third Parties to be made aware of the Company's Policy and Existing Policies and the Company's expectations of them.

To help ensure that we only do business with Third Parties that share our standards of integrity, all Third Parties are deemed to adhere to and having made the **standard anti-bribery and anti-corruption declaration** (please refer to **Appendix A**).

**This being the case, Personnel must ensure that the declaration in Appendix A is incorporated into the engagement letters of such Third Parties.**

### **9.2: Common "red flags"**

The Company expects all Personnel to continue to be aware of and to periodically monitor Third Parties' performance and business practices to ensure on-going compliance with the Applicable Laws. If at any point during the dealings with a Third Party that "red flags" are raised, these warrant further investigations and must be sufficiently addressed before the engagement of Third Party can progress.

Examples of common "**red flags**" involving Third Parties include but are not limited to the following:

- ❖ The transaction involves a country known for a high incidence of corrupt payments, as measured by the Transparency International Corruption Perceptions Index or other similar indices.
- ❖ The Third Party has financial or business ties, relationship, or association with public officials.
- ❖ The Third Party has a poor business reputation or a reputation for unethical conduct, including reports of suspicious, unethical, or unlawful conduct about the Third Party, its agents or employees.
- ❖ A reference check reveals a flawed background or a reputation for getting "things done" regardless of the circumstances or suggest that for a certain amount of money, the Third Party can fix the problem.
- ❖ The Third Party does not have in place an adequate compliance program or code of conduct or refuses to adopt one.
- ❖ The Third Party fails to cooperate with any due diligence investigation or refusal to answer questions or make representations and warranties.
- ❖ Objection to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements.
- ❖ Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees.
- ❖ The Third Party requests for a commission or other payment substantially above the market rate or a substantial up-front payment or unusual advance payment.
- ❖ The Third Party requires that his/her identity not be disclosed as part of the business transaction.
- ❖ Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.

- ❖ The Third Party lacks relevant industry/technical experience or a “track record” with the product, service, field or industry.

The Company requires its Personnel to use good judgment and common sense in assessing the integrity and ethical business practices of Third Parties and have provided the **non-exhaustive** list of examples above as a guideline.

The Company will refrain from entering into any business dealings with any Third Parties reasonably suspected of engaging in bribery and improper business practices unless those suspicions or “red flags” are investigated and resolved. This would require a more extensive due diligence to be conducted on these Third Party(ies) for the Company to further understand the business and background of its prospective business counterparties before entering into any arrangements with them, which may include but is not limited to a basic check of public and/or private databases for indications of non-compliance, unlawful activity or negative media mentions online.

If a “red flag” is identified and the Company would still like to proceed with the engagement/transaction, a report should be prepared by the relevant Head of Department to be submitted to the Board, which includes an analysis of the proposed engagement/transaction with the Third Party. The report will mainly outline the “red flags” identified and where applicable, provide appropriate measures to mitigate those risks. Based on the report, the Board will make a decision on whether to proceed with the engagement/transaction. Should the Board approve the engagement/transaction, the Head of Compliance will oversee and ensure the implementation of the risk mitigation measures as proposed in the report.

Personnel should seek advice from the Head of Compliance whenever particular questions relating to Third Parties that the Company has appointed or is considering appointing arise.

## **10: Recruitment of Personnel**

During the recruitment process of any Personnel, the Company should ensure that to the extent possible, proper background checks are conducted in order to ensure that the prospective Personnel has not been convicted in any bribery or fraud cases nationally or internationally.

More thorough background checks should be conducted when hiring Personnel in management positions who would be tasked with decision-making on behalf of the Company in its day-to-day operations.

To ensure that Personnel share our standards of integrity, all Personnel are deemed to adhere to and having made the **standard anti-bribery and anti-corruption declaration** (please refer to **Appendix B**).

**Accordingly, the declaration in Appendix B is to be incorporated into the Company’s employee handbook/policy/employment letter of each new recruit.**

## **11: Whistle-blowing Policy**

The Company encourages openness and transparency in its commitment to the highest standard of integrity and accountability. All Personnel are encouraged to report any violation of this Policy or the Existing Policies or any suspected or actual corruption, illegal conduct, wrongdoings and abuse of power or any form of malpractices to the proper channel for immediate action without fear of

being victimised. If there is uncertainty about whether a certain action or behaviour can be considered bribery or corruption or fraud, said Personnel should speak to their immediate superior.

The Personnel's identity and information will be protected and kept confidential if the report or disclosure about any perceived or actual bribery or corruption, fraud or suspected fraud, was made in good faith, belief and without malicious intent, even if investigations subsequently show that the Personnel was mistaken.

### **11.1: Reporting procedures**

If the Personnel reasonably believes that malpractice exists in the workplace, said Personnel should report the issue immediately to their immediate superior. If for any reason the Personnel is reluctant to do so, then such concerns should be reported to the Chief Executive Officer.

If the above channel has been followed and there are still concerns, or if the Personnel feels that the matter is so serious that it cannot be discussed with the Chief Executive Officer, the Personnel should report to any of the Independent Non-Executive Directors.

Every complaint, report or information can be channelled via report in writing *i.e.* vide a sealed letter in accordance with the reporting procedures stated in the Company's Whistle-blowing Policy.

Whistle-blowers who make any reports in bad faith or based on unfounded allegations or make reports containing trivial, malicious, slanderous and frivolous claims may be subjected to disciplinary action.

All genuine reports shall be documented by the Company.

Please refer to the Company's Whistle-blowing Policy for the detailed procedures on whistleblowing.

### **11.2: What to do if you are a victim of bribery or corruption**

All Personnel must inform their immediate superior or the contact points (referred to in 11.1 above) as soon as possible if:

- ❖ They are offered a bribe by anyone, or asked to offer a bribe to anyone;
- ❖ They suspect that they may be bribed or asked to make a bribe in the near future; or
- ❖ They have reasons to believe that they encountered or have been approached with regards to any bribery or corrupt activity.

### **11.3: What to do if there is fraud or suspected fraud**

All Personnel are expected to identify processes or procedures that are vulnerable to fraud risk and adequate controls must be put in place to prevent the occurrence of fraud.

All Personnel must inform their immediate superior or the contact points (referred to in 11.1 above) as soon as possible if a dishonest act or fraudulent activity is suspected and care must be exercised to avoid:

- ❖ Alerting the suspected individual to an investigation underway;
- ❖ Treating the suspected individually unfairly; or
- ❖ Making statements that could lead to false accusations or other charges.

#### **11.4: Protection**

If the Personnel refuses to accept or offer a bribe or the Personnel reports a concern relating to potential act(s) of bribery or corruption or suspected fraudulent activity(ies), the Company understands that the Personnel may feel worried about potential repercussions. The Company will support anyone who raises concerns in good faith under this Policy, even if investigations subsequently show that the person was mistaken.

The Company will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt or fraudulent activities or because they reported a concern relating to potential act(s) of bribery or corruption or fraud. Detrimental treatment refers to dismissal, disciplinary action or unfavourable treatment in relation to the concern the individual raised.

Any form of retaliation by a superior or colleague against such person will be regarded as a serious misconduct, which will be subject to disciplinary action(s).

If the Personnel has reason to believe that they've been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, said Personnel should inform their immediate superior or the contact points (referred to in 11.1 above) immediately.

#### **12: Training and communication**

The Company will provide relevant training on this Policy as part of the induction process for all new employees. The Personnel will also receive regular, relevant training on how to adhere to this Policy.

The Company's Policy and zero-tolerance attitude will be clearly communicated to all Third Parties at the outset of business relations, and as appropriate thereafter. As such, any arrangement the Company makes with a Third Party is subject to clear contractual terms where necessary, including specific provisions that require the Third Party to comply with minimum standards and procedures of this Policy or any other related policies.

#### **13: Record keeping**

The Company will keep detailed and accurate financial records, and will have appropriate internal controls in place to act as evidence for all payments made in the course of its business and daily operations. In addition, the relevant Head of Departments shall be responsible for managing documentation related to the adequate procedures to comply with the MACC Act, including but not limited to documentation related to all anti-bribery and corruption related policies and procedures, training materials, attendance lists and minutes of meetings.

The Company will maintain a written record of the amount and reason for corporate hospitality, entertainment or gifts given in the Company's **Gifts and Hospitality Register**, and understand that gifts and acts of hospitality are subject to the Chief Executive Officer's review. Personnel should inform the designated person-in-charge of the Gifts and Hospitality Register on the details of the corporate hospitality, entertainment or gifts given to be updated into the register accordingly. In the event any of the expenses exceeds the Approved Limits as set out in Schedule 1, the person-in-charge must immediately highlight the same to the Chief Executive Officer.

All abovementioned documents should be retained for at least seven (7) years or such other extended period as deemed necessary.

## **14: Monitoring and reviewing**

The effectiveness of this Policy including its implementation will be reviewed from time to time. The Head of Compliance will also periodically assess this Policy's suitability, adequacy and effectiveness and any need for improvements will be proposed to the Board and implemented as soon as possible.

In addition, the Company will engage independent third-party internal auditors to conduct review on the operations and procedures of each department in the Company, where appropriate. In that regard, Personnel shall grant reasonable access to such independent auditors to documents and information for purposes of the internal audit. The Company may also engage external independent parties to conduct reviews on this Policy and the Company's anti-corruption programme from time to time if deemed necessary.

Personnel are encouraged to offer their feedback on this Policy if they have any suggestions for how it may be improved. Feedback of this nature should be addressed to the Head of Compliance.

The Company may amend this Policy from time to time so as to improve its effectiveness at combating corruption and fraud.

## **15: Non-compliance**

Non-compliance and violation of this Policy by any Personnel may be subjected to disciplinary actions (e.g. reprimands, demotions, formal warnings, dismissal or termination of employment contract) and/or any legal proceedings.

The Company will have the right to exercise an audit or inspection on Third Parties in the course of business dealings, who are allegedly or reportedly not in compliance with our Policy. If any of the Third Parties are found to have breached any Applicable Laws or the Policy, such breach may result in termination of contract(s) and if required, subject to legal proceedings.

**Axis REIT Managers Berhad reserves the right to amend this Policy.**

## Schedule 1

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### (A) APPROVED LIMITS FOR GIFTS

No.	Name	Prescribed Limit
1.	Gifts to all other parties (excluding tenants)	Must not exceed RM1,000 per gift
2.	Gifts to tenants	Must not exceed RM2,000 per gift

### (B) APPROVED LIMITS FOR CORPORATE HOSPITALITY/ ENTERTAINMENT

No.	Name	Prescribed Limit
1.	Per tenant	Must not exceed RM5,000 per annum
2.	Per financial institution	Must not exceed RM 5,000 per annum
3.	Per any other party (excluding tenant and financial institution)	Must not exceed RM3,000 per annum

**Note: Any exceptions to the above Approved Limits must be approved by the Board.**

## Appendix A

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### ANTI- BRIBERY AND CORRUPTION DECLARATION

To:

**Axis REIT Managers Berhad**

(Registration No.: 200401010947 (649450-W))

[and **Axis-REIT**]\*

We hereby confirm the following:

- 1) Our company/organization has complied with all applicable laws, regulations, guidelines, codes and sanctions relating to anti-bribery and anti-corruption including but not limited to the Malaysian Anti-Corruption Commission Act 2009.
- 2) Our company/organization has not been investigated or charged with any offences under any laws relating to bribery, corruption, fraud, kick-backs or money laundering.
- 3) None of our directors, officers and principal owners have been investigated or charged with any offences under any laws relating to bribery, corruption, fraud, kick-backs or money laundering.

I acknowledge and understand that the provision of false or misleading information may result in termination of any existing or future relationships that may be entered into between us and/or our company/organization and Axis REIT Managers Berhad / Axis-REIT\*. Further, I understand that Axis REIT Managers Berhad / Axis-REIT\* reserves the right to enforce such other remedies as may be appropriate in the event of such termination.

*\*if applicable*

## Appendix B

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### ANTI- BRIBERY AND CORRUPTION DECLARATION

To:

**Axis REIT Managers Berhad**

(Registration No.: 200401010947 (649450-W))

I hereby confirm the following:

- 1) I have complied with all applicable laws, regulations, guidelines, codes and sanctions relating to anti-bribery and anti-corruption including but not limited to the Malaysian Anti-Corruption Commission Act 2009.
- 2) I have not been investigated or charged with any offences under any laws relating to bribery, corruption, fraud, kick-backs or money laundering.

I acknowledge and understand that the provision of false or misleading information may result in termination of my employment with Axis REIT Managers Berhad. Further, I understand that Axis REIT Managers Berhad reserves the right to enforce such other remedies as may be appropriate in the event of such termination.

I acknowledge that I have fully read and understood Axis REIT Managers Berhad's Anti- Bribery and Anti-Corruption Policy.

## Appendix C

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**Declaration Form for Acceptance of Gifts from External Parties**  
*(in the estimated value of RM1,000 and above received by an individual)*

<b>Section A – To be completed by the Recipient</b>					
<b>Name:</b>					
<b>Designation &amp; Department:</b>					
<b>Signature:</b>					
<b>Date:</b>					
<i>Particulars</i>					
<b>Sender Name &amp; Organisation</b>	<b>Relationship (Vendor/Tenant etc.)</b>	<b>Description</b>	<b>Date</b>	<b>Qty</b>	<b>Estimated / Actual Value (RM)</b>