



XL HOLDINGS BERHAD

(199801012014(468142-U))
(Formally known as Xian Leng Holdings Berhad)

ANTI-BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION

XL Holdings Berhad (“XL”) (fka Xian Leng Holdings Berhad) and its subsidiaries (collectively referred to as the “Group”) conduct its business in a legal and ethical manner. The Group requires all employees (Including full time, probationary, contract and temporary staff) (“Employees”) and Directors of the Group to be committed to acting professionally and with integrity in their business dealings.

This Policy is issued pursuant to sub-section (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 (“Amendment Act 2018”).

The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. This Anti-Bribery and Corruption Policy (“ABC Policy”) sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. This ABC Policy is supplemental to, and shall be read in conjunction with the Code of Ethics and Conduct of XL.

The Group recognizes that bribery and corruption by a commercial organization or by persons associated to the Group under the MACCA is punishable by fine not less than ten times the value of the gratification or MYR1.0 million, whichever is higher, imprisonment term not exceeding twenty (20) years, or a combination or both and that the general penalty against any individual convicted for any corruption-related offence under the MACCA is an imprisonment term not exceeding twenty (20) years and a fine of not less than five times the sum or value of the gratification or RM10,000.00 whichever is higher.

2. DEFINITION OF BRIBERY AND CORRUPTION

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.

Corruption is the abuse of entrusted power for private gain.



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3. OBJECTIVE

The objective of the ABC Policy is to provide information and guidance to the Directors and Employees on standards of behavior to which they must adhere to and how to recognize as well as deal with bribery and corruption.

The ABC Policy is not intended to be exhaustive, and there may be additional obligations those Directors and Employees are expected to adhere to or comply with when performing their duties. For all intents and purposes, the Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

4. APPLICABILITY

The ABC Policy is applicable to all Directors and Employees and Person Associated of the Group.

Each Employee has a duty to read and understand the ABC Policy. Violation of any of the ABC Policy's provisions may result in disciplinary action, including termination of employment. Any employee found to be in breach of the Group's ABC Policy will face disciplinary action and could face dismissal for gross misconduct. Fines imposed by the employee will not be paid by the Group and the Group reserves the right to report any actions or activities suspected if being criminal in nature to the police or other relevant authorities. (Note 7 – Compliance to The Law will further explain)

If a Director requires further clarification on the ABC Policy, the Director may liaise with the Chairman of the Board, the Chief Executive Officer ("CEO") and the Compliance Officer, whereas for an Employee, the Employee may refer or highlight any concerns to the immediate superior or Head of Division/Department.



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5. **GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION**

5.1 GIFTS AND HOSPITALITY

This ABC Policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest and bona fide corporate hospitality.

Some examples of acceptable gifts and/ or benefits are as follows:-

- a) Token gifts offered in business situations or to all participants and attendees for example, work related seminars, conferences, trade and business events;
- b) Gifts presented at work-related conferences, seminars and/or business events;
- c) Gifts given in gratitude for hosting business events, conferences and/or seminars;
- d) Refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
- e) Meals for business purposes
- f) Fruits, flowers and promotion items (such as diaries, pens, umbrellas, shirts, etc.) with an approximate/actual value of less than RM100 (the recipients must properly estimate the gift value).

As a general principle, the Directors and Employees should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favors or benefits. In addition, lavish or unreasonable gifts or hospitality should not be accepted as such gifts or hospitality may be perceived or interpreted as attempts by the Directors or Employees to obtain or receive favorable business treatment for personal benefits. Any gifts of cash or cash value (e.g. vouchers, coupons, shares, commissions, etc.) are strictly prohibited at all time.

The Directors and Employees should be mindful in giving or receiving gifts or hospitality as it could be perceived as a way of improperly influencing the decision making of the recipient. Hence, the intention behind the gifts or hospitality should always be considered.

****The entertainment expenses above RM1,000, employee required to fill up the Gifts and Hospitality Giving Form and/or Receipt of Gifts and Hospitality Declaration Form.**



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5.2 FACILITATION PAYMENTS TO OFFICER OF PUBLIC BODY

Facilitation payments are unofficial payments or other advantages made to secure or expedite the performance of a routine action by an officer of public body. Directors or Employees shall not promise or offer, or agree to give or offer, facilitation payments to an officer of any public body.

However, there could arise circumstances in which the Directors or Employees have no alternative but to make a facilitation payment in order to protect themselves from injury, loss of life or liberty. Any request for facilitation payment under such circumstances should be reported immediately to the superior of Head of Division/Department.

5.3 THIRD PARTIES AND AGENCIES

Third parties, including agents, suppliers and joint venture partners should be made aware of this ABC Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

5.4 POLITICAL CONTRIBUTION

Subject to any prevailing laws that govern political contribution, the Group may make contribution to political parties or candidates. All political contributions require approval from the Head of Division or CEO. The records of all political contributions shall be kept by the Group.

5.5 CHARITABLE CONTRIBUTION

Charitable support and donations are acceptable (and indeed are encouraged), whether of in-kind services, knowledge, time, or direct financial contributions. However, Directors and Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the Head of Division or CEO. The records of all charitable contributions shall be kept by the Group.



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6. RECORD-KEEPING

Employees must declare all hospitality or gifts accepted or offered, and submit details to the person in-charge who is assigned by the respective Division/Department. Employees must also ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are approved by the Head of Division/Department and must be specifically recorded the reason for such expenditure.

7. COMPLIANCE TO THE LAW

The Group will comply with all applicable laws, rules and regulations of the government, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the Malaysia Anti- Corruption Commission Act 2009 (including any amendment thereof). The Group reserves the right to report any actions or activities suspected if being criminal in nature to the police or other relevant authorities.

8. REPORTING OF VIOLATIONS OF THE POLICY

Any Employee who knows of, or suspects, a violation of the ABC Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the Group's Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the ABC Policy are available on the XL website. No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the ABC Policy. All reports will be treated confidentially.



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9. THE COMPLIANCE OFFICER

The appointed Compliance Officer of the Group and her contact details are as follows:

Name: Ms Joanne Pow
Tel No: 012-7010 739
Email: joanne.pow@xlhb.com.my

10. ADOPTION AND REVIEW OF POLICY

This Policy was adopted by the Board on 27 March 2020.

This Policy will be reviewed as and when required and updated in accordance with the needs of the Company.

Version update: V1 on 20 September 2021

Version update: V2 on 16 August 2024