



**Hai-O Enterprise Berhad**  
(Registration No. 197501000919 (22544-D))

**POLICY ON FACILITATION PAYMENT (this “Policy”)**

**1. Introduction**

Hai-O Enterprise Berhad (“Hai-O” or the “Company”) and its subsidiaries (the “Group”) are committed to conducting its businesses in a lawful and ethical manner and maintaining high standards of ethics and integrity.

The Group adopts a zero-tolerance stance against bribery and it expects the same being upheld by the Group’s Directors, Employees, suppliers, Distributors, and Business Associates.

The Group, its Directors, Employees, suppliers, Distributors, and Business Associates are prohibited from, directly or through a third party, giving or receiving facilitation payments.

This Policy shall be read together with the Group’s Anti-Bribery Policy.

**2. Scope**

This Policy is applicable to the Group’s Directors, Employees, suppliers, Distributors, Business Associates (including Service Providers) and any third parties acting on the Group’s behalf.

This Policy shall be applicable to all business operations of the Group regardless of country of operation.

**3. Definition**

The following definitions and interpretations shall apply this Policy:

- (i) where this Policy refers to the act of “giving” or “paying” a bribe it also refers to actions amounting to the act of agreeing to give, promising, or offering a bribe.
- (ii) where this Policy refers to the act of “receiving” a bribe it also refers to actions amounting to the act of soliciting or agreeing to receive a bribe.
- (iii) “facilitation payments” shall have the definition consistent with that provided by *Transparency International*, which is: a small bribe, also called a ‘facilitating’, ‘speed’, or ‘grease’ payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.
- (iv) “Employees” include full-time, part-time, probationary, contract and temporary employees.
- (v) “Service Providers” include the Group’s contractors, sub-contractors, consultants, distributors, agent representative, or any parties performing work or services for or on behalf of the Group.

- (vi) “Business Associates” include the Group’s joint-venture entities, joint-venture partners, associate companies, and business partners, as well as Service Providers.

#### **4. What is Facilitation Payment?**

Facilitation payments include unofficial and improper payments or benefits, including gifts or entertainment, provided to secure or expedite a routine or necessary action to which the Group is legally entitled. Facilitation payments are bribes and they could be small in value and solicited by both public and private sectors.

Examples of situations where facilitation payment may be solicited are as follows:

- the Group’s personnel who is obtaining immigration clearance to enter a country receives a request for a non-official payment by the immigration officer;
- the approval of a business licence or permit applied is being held back and not approved for a long period of time despite compliance with all relevant requirements;
- a payment or benefit requested by a government or regulatory officer to provide preferential treatment such as expedition of processing of documents; and
- a payment or benefit requested by the customer’s staff, payable to the staff personally, for the execution of a delivery or a collection payment.

#### **5. What is not a Facilitation Payment?**

There could be instances where fees may be made in exchange for a lawful express or preferential service, e.g. quick turnaround visa and passport services or police escort services. These payments are not considered as facilitation payments provided they fulfil the following conditions:

- the service is open and available to the public;
- the fee is in accordance with an official and published price list;
- the fee is not payable to individuals, but to the organisation or entity; and
- a legal and official receipt by the organisation or entity can be provided.

#### **6. The Group’s Stance on Facilitation Payment**

- I. Hai-O Group views facilitation payment as a bribe, in line the stance adopted by Transparency International and most developed countries.
- II. The Group prohibits the making of facilitation payments regardless:
  - a. whether they are permitted by local laws; or
  - b. the amount of the facilitation payment.
- III. Directors, Employees, suppliers, Distributors, and Business Associates shall not make any facilitation payments or allow other parties to make facilitation payments on behalf of the Group.
- IV. In a situation where a Director, Employee, suppliers, Distributor, or Business Associate is pressured to make a facilitation payment to protect his/ her safety (i.e. life or limb) or freedom, he/ she shall prioritise his/ her safety or freedom. If a facilitation payment is made in such situation,

the payment shall immediately be reported via the Group's Anti-Bribery Compliance and Support Team or any Executive Risk Committee member, in accordance with the procedures set out in **Section 7: Reporting and Recording a Facilitation Payment** of this Policy.

- V. The Company treats any violation of this Policy seriously and will undertake necessary actions, including, but not limited to, review of employment or appointment, disciplinary actions, dismissal, cessation of business relationship, and reporting to the authorities, consistent with the relevant laws and regulations.

## **7. Reporting and Recording a Facilitation Payment**

The only situation where a facilitation payment can be made is if a person is pressured into making such payment to protect his/ her safety (i.e. life or limb) or freedom.

After making facilitation payment in such situation, the personnel is required to immediately contact any member of the Group's Anti-Bribery Compliance and Support team or any Executive Risk Committee member to report the payment and the circumstances. The personnel shall provide, where practicable, the following information (the following list is not meant to be exhaustive):

- the date and time of the incident;
- the service or routine action that was sought after (e.g. immigration clearance);
- the identity(ies) of the persons involved in the incident (e.g. immigration officer);
- the particulars of the threat and circumstances; and
- the value of the facilitation payment concerned.

The Group will not take disciplinary action against personnel who has made facilitation payment under the genuine belief that his/her safety or freedom would have been in danger if such payment had not been made.

## **8. Compliance and Support**

Directors, Employees, suppliers, Distributors, or Business Associates of the Group are expected to refuse to give or receive a bribe when solicited or offered one. The Group is committed to ensuring that no one suffers any detrimental treatment for refusing to give or accept a bribe.

Compliance with this Policy by the Group, its Directors, Employees, suppliers, Distributors, and Business Associates is mandatory. Any violation of this Policy will be dealt with seriously by the Group and will lead to, but not limited to, review of contracts, employment, or appointment, disciplinary actions, dismissal, cessation of business relationship, and reporting to the authorities, consistent with relevant laws and regulations.

Any person with any concerns or queries or requiring support and advice pertaining to compliance with this Policy shall consult with their respective internal reporting lines within the Group.

If there is a suspected violation or potential violation of this Policy, such cases shall be reported via the Group's whistle-blowing mechanism, as outlined in the following section.

## **9. Reporting of violations of this Policy**

Any person, including the general public, who knows of, or suspects, a violation of the Policy is encouraged to report the concerns through the whistleblowing mechanism set out under the Group's **Whistle-Blowing Policy**.

No individual will be discriminated against or suffer any sort of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.