

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND PROCEDURE

1. INTRODUCTION

- 1.1** Life Water Berhad and its subsidiaries (“Life Water or the Group”) is committed to the highest ethical standards in conducting business dealings with integrity and in compliance with all applicable laws, including the Malaysian Anti-Corruption Commission Act 2009.
- 1.2** This Policy and Procedure is intended to apply to every employee of Life Water. Although this Policy and Procedure is specifically written for Life Water’s employees and directors, Life Water expects that contractors, sub-contractors, consultants, agents, representatives and other performing work or services for or on behalf of Life Water will comply with the same when performing such work or services. Life Water has adopted a zero-tolerance approach against all forms of Bribery and Corruption and takes a strong stance against such acts.
- 1.3** This Policy and Procedure is not intended to provide definitive answers to all questions regarding Bribery and Corruption, but is instead envisioned to provide a basic introduction to how Life Water combats bribery and corruption in furtherance of its commitment to lawful, fair and ethical behavior at all times, in addition to being designed to avoid situations in which bribery and corruption may take root.

2. DEFINITION

Words	Meanings
Bribery	Defined as any action which would be considered as an offence of giving or receiving gratification under the MACC Act.
Business Associate	An external party with whom Life Water has, or plans to establish some form of business relationship which may include but not limited to customers, joint venture partners, consultants, contractors, subcontractors, suppliers, agents and the like.
Corporate Gift	Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift.
Corruption	Defined as any action which would be considered as an offence of giving or receiving gratification under the MACC Act.
Conflict of Interest	When a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making of Life Water.
Donations and Sponsorship	Charitable contributions and/or sponsorship payment made to support the community
Directors	Directors includes all of the following:- <ul style="list-style-type: none"> • Independent and non-independent Directors • Executive and non-executive Directors • Alternate Directors
Exposed Position	A position identified as vulnerable to bribery through risk assessment. Such position may include but not limited to roles involving procurement, financials, sales, or any other positions which LIFE WATER has identified as vulnerable to Bribery and Corruption.
Facilitation of Payment	A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.
Festive Gift	Traditional treats or gifts customary to the occasion such as red packets (cash or cash equivalent), hampers, and the like.
Gratification	Defined in the MACC Act as:- <ol style="list-style-type: none"> a) 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; b) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;

	<p>c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</p> <p>d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</p> <p>e) Any forbearance to demand any money or money's worth or valuable thing;</p> <p>f) 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 or duty; and</p> <p>g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</p>
MACC Act	Malaysia Anti-Corruption Commission Act 2009 and any statutory modification, amendment or re-enactment thereof for the time being in force

3. APPLICATION

3.1 The Directors and Employees of Life Water (collectively referred to as “the Employees”) are responsible for understanding and complying with this Policy and Procedure which includes the following:

- Be familiar with the requirements and directives of this Policy and Procedure and communicate them to subordinates;
- Promptly record all transactions of Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship (collectively referred to as “GEHTDS”) accurately and in reasonable detail;
- Always raise suspicion transactions to immediate superior for guidance on next course of action;
- Promptly report violations or suspected violations through appropriate channels; and
- Attend and complete all trainings and assessments in relation to the Policy and Procedure.

4. GENERAL PRINCIPLES ON ANTI-BRIBERY AND ANTI-CORRUPTION

- 4.1** All forms of Bribery and Corruption are prohibited. The Employees should not participate in any corrupt or unethical activity such as but not limited to extortion, abuse of power, trading under influence fraud and/or money laundering.
- 4.2** Bribery and Corruption may take the form of exchange of money, goods, services, property, privilege and/or preferential treatment. The Employees shall not, whether directly or indirectly, offer, give, receive or solicit any item of value, in an attempt to influence decisions or actions of a person in a position in Life Water, either for the intended benefit of Life Water or the Business Associate involved in the transaction.
- 4.3** This Policy and Procedure applies to Life Water's business dealings with commercial and government entities, and includes interactions with their directors, employees, agents and other appointed representatives.
- 4.4** The Employees will not suffer demotion, penalty or other adverse consequence for refusing to pay or receive bribes or other illicit behavior, even if such refusal may result in Life Water losing business or experience a delay in business operations.
- 4.5** Life Water awards contracts based on merits and tenders. Support letters in all forms shall not be recognized as part of the business decision making process.
- 4.6** Life Water's internal audit function shall conduct regular risk assessments in relation to Bribery and Corruption.

5. CONFLICT OF INTEREST

- 5.1** A situation of conflict of interest where a personal interest might be considered to interfere with a person's objectivity in performing or exercising duties/judgement on behalf of Life Water.
- 5.2** The Employees shall declare any personal interest he/she or persons connected to the Employee may have in any Life Water's decision or matter he/she is involved in.
- 5.3** The Employees should avoid or deal appropriately with situations in which conflict of interest arise and they must not use their position to gain or to cause disadvantage to Life Water.

6. DEALING WITH BUSINESS ASSOCIATE

- 6.1** Life Water expects all Business Associate to refrain from Bribery and Corruption. In the event of any suspicion in Life Water of Bribery and Corruption in any collaboration with the Business Associate, Life Water shall seek an alternative Business Associate.
- 6.2** Life Water shall endeavor to include clauses in contracts which would enable Life Water to terminate any contract in which a reasonable suspicion of Bribery or Corruption has arisen.

6.3 In the event of suspicious behavior, allegations and/or investigations relating to Bribery and Corruption in relation to collaboration with Life Water and Business Associate, Life Water shall conduct due diligence on any relevant parties which include but not limited to search through relevant database, background checks and conducting interviews to identify relationship and documenting the reasons for choosing one Business Associate over another.

7. GIFTS, ENTERTAINMENT, HOSPITALITY, TRAVEL, DONATION AND SPONSORSHIP

7.1 Life Water has adopted a “No Gift” Policy whereby, subject only to certain narrow exceptions, the Employees are prohibited from, directly or indirectly, receiving or providing gifts.

7.2 The Employees are required to abide by this Policy and to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between Life Water and external parties as a gift which can be seen as a bribe that may tarnish Life Water’s reputation or be in violation of the Act.

7.3 It is the responsibility of the Employees to inform external parties involved in any business dealings of Life Water that Life Water’s practices a “No Gift” Policy and to request the Business Associate’s understanding for and adherence with this Policy.

(a) Receiving of GEHTDS

- (i) Life Water is aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging Life Water’s “No Gift Policy”, some external parties may still insist in providing GEHTDS to the Employees.
- (ii) Although the general principle is to immediately refuse or return such GEHTDS, accepting a GEHTDS on behalf of Life Water is allowed only in very limited circumstances, whereby refusing the GEHTDS is likely to seriously offend and may sever Life Water’s relationship with the Business Associate. However, in no circumstances may a Party accept GEHTDS in the form of cash or cash equivalent.
- (iii) In these circumstances, the Employees are expected to immediately record in the GEHTDS register and seek approval from the Human Resource (HR) Department.
- (iv) The HR Department would be required to have access to GEHTDS and conduct one of the following:-
 - Reject the gift and return the same to the Business Associate with a note of explanation about Life Water’s “No Gift” Policy.
 - Approve the GEHTDS and determine the treatment of the gift whether to:
 - ❖ Donate the gift to charity;
 - ❖ Hold it for department display;
 - ❖ Share with other employees in the department; or
 - ❖ Permit it to be retained by the employee.

(b) Provision of GEHTDS

- (i) Generally the Employees are not allowed to provide GEHTDS to third parties with the exception to the general rule whereby the receiving and provision of the GEHTDS are permitted in the following situations:-
- Exchange of gifts at the company-to-company level (e.g. gift exchange between companies as part of an official company visit).
 - Gifts from Life Water to external institutions or individuals in relation to Life Water's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event).
 - Gifts from Life Water to employees and directors and/or their family members in relation to an internal or externally recognized its function, event and celebration.
 - Token gifts of nominal value normally bearing Life Water's logo or that are given out equally to members of the public and are deemed as part of Life Water's brand building or promotional activities.
 - GEHTDS to external parties who have no business dealings with Life Water.
- (ii) Any provision of GEHTDS has to be recorded in the GEHTDS's register.

7.4 Even in the above exceptional circumstances, the Employees are expected to exercise proper judgement in handling GEHTDS and behave in a manner consistent with the general principles set out in the Code of Ethics of Life Water. Life Water should not solicit any GEHTDS from any Business Associate directly or indirectly.

7.5 Life Water should avoid from offering and/or accepting GEHTDS from government officials without the approval from the Board of Directors.

7.6 Life Water should not exercise any of its resources to make any direct or indirect political contributions to any political party without the approval from the Board of Directors.

7.7 Life Water must ensure that all Donation and Sponsorship are given through legal and proper channels. Particular care must be taken in ensuring that the charities or sponsored organisations on the receiving end are valid bodies and are able to manage the funds properly. Steps must be taken to ensure that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials nor act as conduit to fund illegal activities in violation of any applicable law. When in doubt, employees can escalate the matter to Managing Director to determine the authenticity of such requests.

8. FACILITATION OF PAYMENTS

8.1 Life Water adopts a strict stance in disallowing Facilitation of Payments.

8.2 In the event of an encounter with any requests for a Facilitation of Payments, the Employees are expected to notify their immediate superior. In the event that such payment has been made and the Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. Such occurrence has to be recorded in a register for audit purposes.

8.3 In the event that the safety of the Party is at stake, a Facilitation of Payment is permitted if:-

- (a) That the Facilitation of Payment is the immediate available recourse to protect the safety and wellbeing of the Employees; and
- (b) Approval has been obtained from an Executive Director.

9. NON-COMPLIANCE

9.1 Life Water would take immediate action against any party who did not adhere to the Policy and Procedure. This may include but not limited to the termination of employment, business arrangements, initiation of legal action and/or notification to the authorities.

9.2 Any Parties found guilty by the authorities pursuant to Section 17A(2) of the MACC Act, is punishable by a fine not less than ten (10) times the sum or value of the gratification which is the subject matter of the offence, where the gratification is capable of being valued or is of a pecuniary nature, or RM1.0 million, whichever is higher or imprisonment for a term not exceeding 20 years or both.

10. RECORD KEEPING

10.1 Life Water would keep and maintain data, record and documents in accordance with statutory and regulatory requirements. Life Water would have appropriate internal controls in place to safe-keep, archive, retrieve, retain and store proper records.

11. WHISTLEBLOWING CHANNEL

11.1 Life Water has established a Whistleblowing Policy which details Life Water's policies and procedures in relation to disclosure of any known malpractices or wrongdoings occurred in Life Water.

11.2 The Employees who encounter actual or suspected violations of this Policy and Procedure are required to report their concerns. The parties are responsible to ensure that suspected Bribery and Corruption incidents are reported promptly via the procedures set out in the Whistleblowing Policy which is made available in Life Water's website.

11.3 Reports made in good faith, either anonymously or otherwise, would be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

12. AWARENESS AND TRAINING

12.1 Life Water is committed in arranging awareness programmes and provide training for all Employees on an annual basis to refresh awareness in relation to the Policy and Procedure and to continuously promulgate integrity and ethics.

12.2 In addition, Life Water will provide training in relation to the Policy and Procedure to all new recruits.

13. MONITORING, PERIODIC REVIEW AND DISCLOSURE

13.1 This Policy and Procedure should be reviewed annually and may be amended by the Board as it deems appropriate.

13.2 This Policy and Procedure should be disclosed on Life Water's website.

14. ADEQUATE PROCEDURES: T.R.U.S.T. FRAMEWORK

14.1 Life Water as part of its defence against corporate liability provision as set out in Section 17A of MACC Act 2009 has adopted the TRUST Framework as part of its adequate procedures to prevent persons associated with Life Water from engaging in corrupt act or conduct. The general principles and policies adopted, which forms the basis of Life Water's compliance programme, are set out below:

- (i) Principle 1 – Top Level Commitment
- (ii) Principle 2 – Risk Assessment
- (iii) Principle 3 – Undertake Control Measures
- (iv) Principle 4 – Systematic Review, Monitoring and Enforcement
- (v) Principle 5 – Training and Communication

15. PRINCIPLE 1 – TOP LEVEL COMMITMENT

15.1 The Board of Directors ("Board") has an overall responsibility to ensure that the programme complies with Life Water's legal and ethical obligations. The Managing Director plays a key role in overseeing and monitoring the effectiveness of the programme.

15.2 The Financial Controller ("FC"), who is the de-facto Head of Compliance, has been delegated by the Managing Director to assist in implementing the programme across Life Water. The Managers or Heads of Department ("HOD") are responsible in ensuring the implementation of the programme within their scope of responsibility.

15.3 The Board and/or its respective Committees should:

- (i) Provide oversight for maintaining highest level of corporate integrity and ethics, compliance with applicable laws and regulatory requirements on anti-bribery and corruption;
- (ii) Approve the Policy;
- (iii) Manage key corruption/bribery risks and whistle blowing cases of Life Water;
- (iv) Receive, review and monitor the effectiveness of the Anti-bribery Management System ("ABMS");
- (v) Promote a culture of integrity within Life Water;
- (vi) Ensure high level of integrity and ethics and full compliance with all applicable laws and regulatory requirements on anti-bribery and corruption;
- (vii) Effectively manage corruption/bribery risks of Life Water;
- (viii) Ensure that adequate and clear policies, procedures and control systems are in place to minimize and mitigate opportunities for corruption and bribery in the Group

and to respond to suspected or confirmed corruption and bribery incidences in Life Water;

- (ix) Encourage the use of whistleblowing and other appropriate channels in relation to any suspected or real corruption incidences;
- (x) Develop a communication plan and training programme based on Life Water's policies and commitments towards anti-bribery corruption for relevant internal and external parties; and
- (xi) Act upon and report to the Board the results of any audit, reviews of risk assessment, control measures and performance in relation to the ABMS.

15.4 Life Water's HR Department will be responsible for all anti-bribery and anti-corruption compliance matters.

15.5 HR Department is adequately equipped to act effectively against bribery and corruption in the following manner:

- (i) overseeing the development and implementation of Life Water's ABMS and GAPs;
- (ii) providing advice and guidance to personnel on the ABMS & GAPs and issues relating to anti-bribery and anti-corruption compliance programme;
- (iii) reporting on the performance of the ABMS and GAPs and identify opportunities for improvement and need for change or innovation to the Board of Directors and Top Management, as appropriate;
- (iv) ensuring that integrity of the ABMS and GAPs is maintained when changes to ABMS and GAPs are planned and implemented.
- (v) Appropriate resources shall be provided for effective operation of the ABMS and GAPs programme and that the HR Department is staffed with persons who have the appropriate competence, status, authority, and independence.
- (vi) The HR Department has direct and prompt access to the Board of Directors and Key Senior Management for any issue or concern that needs to be raised in relation to anti-bribery and anti-corruption, ABMS and GAPs.
- (vii) The lines of authority for the HR Department are tasked with responsibility for overseeing the ABMS and GAPs programme shall be reporting directly to the Board of Directors and Key Senior Management.

16. PRINCIPLE 2 – RISK ASSESSMENT

16.1 The Board is committed towards establishing a robust system of risk management and internal control in all material aspects of Life Water. The Audit and Risk Management Committee ("ARMC") is responsible for reviewing the adequacy and operating effectiveness of the programme and regularly reporting the outcome, including implementation of remedial measures to address weaknesses noted, to the Board.

16.2 As part of a continuous process, the ARMC has identified and included Corporate Liability Risk in Life Water's risk profile as part of Life Water's risk Management process to ensure the risk is effectively managed with action plans or controls in place.

16.3 Each financial year, internal audits are conducted by an outsourced independent professional firm ("OIPF") by Life Water. OIPF assesses the adequacy and operating effectiveness of the system of risk management and internal control, including controls addressing risks on bribery and corruption.

16.4 The independent Internal Audit Function assists with the review of the programme, focusing on the compliance aspect based on an Internal Audit Plan approved by the ARMC. The ARMC reviews the Internal Audit Report by the OIPF, including concerns,

observations, recommendations, Management's comments as well as action plans to address the issues as highlighted therein. The OIPF immediately notifies the FC, the ARMC and the Board when there is any credible indication of a failure to comply with the programme that comes to their attention during the Internal Audit.

17. PRINCIPLE 3 – UNDERTAKE CONTROL MEASURES

- 17.1** Life Water shall maintain a system of internal controls and measures which can be found in other related financial and non-financial procedures.
- 17.2** All the heads of department shall be responsible for monitoring adherence to this Policy and procedures designed to prevent, detect, and respond to bribery and corruption.
- 17.3** Internal control systems and procedures designed to prevent bribery and corruption are subject to regular audits, internally or by an external party to ensure that they are effective in practice. Such reviews should include improvements of the existing anti-bribery and anti-corruption controls in Life Water. The outcomes of the audits shall be reported to the managing director.

18. PRINCIPLE 4 – SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

- 18.1** Implementation of the ABC Programme shall be monitored and assessed by the Financial Controller or any person delegated by the FC on its suitability, adequacy and effectiveness, especially on the areas that are considered 'high risk'. Results of the evaluation undertaken shall be reported to the Board.
- 18.2** The following measures shall be taken in evaluating the effectiveness of the programme:
- Quantitative measures include:
- (a) outcomes of anti-bribery and corruption monitoring activities; and
 - (b) statistics on the use of the whistleblowing function.
- Qualitative measures include:
- (a) findings of the anti-bribery and corruption risk assessment and results of due diligence on third parties;
 - (b) information about business associates especially from high risk of bribery countries, new accounts and their risk classification; and
 - (c) relevant details from potential investigations.
- 18.3** In addition to the above, effective monitoring shall be done by undertaking the following activities:
- (a) conducting spot checks on financial records to ensure they are accurately recorded and supported by necessary documentation;
 - (b) checking payments made to high risk third parties;
 - (c) ensuring cash disbursement is correctly recorded with all required information, authorisation from the Management and adequate documentation; and
 - (d) conducting transaction testing to detect any deviations from an actual transaction made by the Group.

19. PRINCIPLE 5 – TRAINING AND COMMUNICATION

- 19.1** Life Water shall conduct awareness programme for all Employees to ensure they understand Life Water's Policy and its ABMS and GAPs.
- 19.2** A copy of this Policy and the programme shall be made available to all employees and third parties in public folder and is accessible on Life Water's website at www.lifewater.com.my. Any significant changes to the programme shall be made known to all parties.
- 19.3** Life Water zero-tolerance approach to bribery and corruption shall be communicated to all employees, business associates and third-party intermediaries at the outset of any business relationship with them and as appropriate thereafter. In addition, all employees, business associates and third-party intermediaries shall be asked to formally accept declaration of acceptance this Policy on a retention basis.
- 19.4** Mandatory training programmes, including refresher training session, shall be held annually by Life Water to all existing employees to ensure they act and comply in accordance with this Policy and the programme.
- 19.5** Training on the programme forms part of the induction process for all new employees. An evaluation test shall be conducted during training sessions to ensure the employees' understanding on the content of the programme.
- 19.6** HR has a particular responsibility to ensure relevant training, including refresher training, is provided within their department in accordance with the level of bribery and corruption risk related to their position.
- 19.7** Attendance for refresher training session is required, especially for employees in areas of high risk, i.e. from sales, finance, purchasing and other employees considered by HOD and Management to be at risk of exposure to bribery.
- 19.8** The Human Resources (HR) Department shall maintain all records of trainings related to anti-bribery and anti-corruption attended by all Life Water employees.

20. REVIEW OF POLICY AND PROCEDURE

- 20.1** The Board of Directors, and Key Senior Management of Life Water shall monitor the implementation of this Anti-bribery & Corruption Policy and Procedure and review this Policy and Procedure at planned interval to ensure that it continues to remain relevant and appropriate for its suitability, effectiveness and efficiency keeping with the changing business environment, administrative or operational needs as well as changes to statutory laws and regulatory requirements.
- 20.2** The HR Department shall review and update (when necessary) this Policy and Procedure on a regular basis before forwarding to the Board of Directors and Key Senior Management for approval. This Policy and Procedure is subject to updating and modifications from time to time to be in line with applicable statutory laws and regulatory requirements and organizational changes within Life Water.

This Stakeholders Communication Policy was approved and adopted by the Board on 22/12/2023.