

PHARMANIAGA BERHAD’S VENDOR CODE OF ETHICS

1) INTRODUCTION

Pharmaniaga (as defined below) is committed to uphold principle of integrity, accountability and fairness in its procurement activities. Similarly, Pharmaniaga expects its Vendor to embrace the commitment to these principles as set out in this Pharmaniaga’s Vendor Code of Ethics (“Vendor Code of Ethics”).

The Vendor Code of Ethics outlines Pharmaniaga’s minimum expectations for Vendor to respect and adhere to when conducting business with or on behalf of Pharmaniaga. All Vendor of Pharmaniaga shall comply with all applicable laws and regulations, the requirements set out in this Vendor Code of Ethics and its contractual obligations to Pharmaniaga.

This Vendor Code of Ethics is intended to complement Pharmaniaga’s Code of Conduct, Procurement Policies, Procedures & Guidelines and Pharmaniaga’s other policies.

2) SCOPE

The Vendor Code of Ethics applies to all Pharmaniaga’s Vendor including its principals, employees, sub-contractors and agents.

3) DEFINITIONS

The following terms are used in this Vendor Code of Ethics and shall have the following meanings:

Bribe means an inducement or reward (financial or otherwise) offered, given or received, directly or indirectly in order to secure an undue or improper result, award, decision, benefit or advantage of any kind.

Cartel means an arrangement between Vendors to fix prices or to share the market between them.

Conflict of Interest means a situation in which an individual had competing professional or personal interests that may interfere or potentially interfere with the individual’s objectivity to fulfill his or her duties impartially.

Employee means all employees under the employment of Pharmaniaga or Vendor including persons who are on contract, secondment, apprenticeship, attachment whether remunerated or otherwise. The term “Employee” or “Employees” shall have the same meaning and may be used interchangeably.

Gifts mean anything of value that an individual gives or receives either directly or in kind including but not limited to, good or services, gratuities or personal favours that are intended to influence or reward an individual or entity.

Kickback means a portion of the value of the contract demanded as a bribe by a person for securing the contract.

Pharmaniaga means Pharmaniaga Berhad and its subsidiaries within Pharmaniaga Berhad Group of Companies.

Vendor means any person or entity that supplies goods and/or provides services to Pharmaniaga, including those already appointed by Pharmaniaga and who intend to enter into or has a contract with Pharmaniaga. Vendor shall include contractors, service providers and consultants, their principals, employees, sub-contractors and agents.

4) **VENDOR’S RESPONSIBILITY**

It is the Vendor’s responsibility to:

- i) Understand and comply with this Vendor Code of Ethics;
- ii) Educate its employees, sub-contractors and agents on the requirements of the Vendor Code of Ethics;
- iii) Monitor its compliance with the principles of the Vendor Code of Ethics; and
- iv) Report any violation of the Vendor Code of Ethics (as mentioned in item 6 below)

5) **PRINCIPLES OF THIS CODE**

5.1 **Ethical Business Practices**

- 5.1.1 Vendor shall abide by all applicable laws and regulations concerning bribery, corruption, fraud, money laundering and any other prohibited business practices.
- 5.1.2 Vendor shall never offer, pay, solicit or accept any Bribes, Kickbacks, Gifts or other incentives either directly or through intermediaries in order to obtain an unfair or improper advantage or to obtain or retain a business for any business transaction with or involving Pharmaniaga.
- 5.1.3 Vendor shall adhere to provisions in Procurement Policies, Procedures & Guidelines and Procurement Code of Ethics.
- 5.1.4 Vendor is required to request its sub-contractors, sub-vendors and agents to sign and comply with Pharmaniaga’s Vendor Letter of Declaration to prevent corrupt practices in the supply chain.

5.2 Conflict of Interest

- 5.2.1 Vendor shall avoid conflict of interest and is expected to promptly report to Pharmaniaga any actual, potential or apparent conflict of interest situation.
- 5.2.2 Vendor shall disclose to Pharmaniaga if any Pharmaniaga’s employee has an interest of any kind in the Vendor’s business or any kind of economic ties with the Vendor.
- 5.2.3 Vendor is prohibited from offering or providing Gifts to Pharmaniaga’s employee that might appear to influence, compromise judgement or obligate the employee.
- 5.2.4 Vendor shall disclose in writing details of former employees of Pharmaniaga who joined them either prior to the award or in the performance of a contract which the former Pharmaniaga’s employee was directly involved in such award or contract, or which was under his or her consideration during the period of his or her employment with Pharmaniaga.

5.3 Fair Competition

- 5.3.1 Vendors shall conduct their business in line with fair competition and in accordance with Competition Act 2010 and all applicable anti-competitive laws.
- 5.3.2 Vendor shall not conspire, collude or form Cartel either directly or indirectly with other Vendor for the purpose of reducing or eliminating competition during the submission of tender or quotation to Pharmaniaga.
- 5.3.3 Vendor is expected to quote price that reflects the true value of their products, services and works.

5.4 Compliance with Laws

- 5.4.1 Vendor shall comply with all applicable laws and regulations including but not limited to, any laws relating to employment, environment, health and safety.
- 5.4.2 Vendor is expected to keep abreast of developments and changes in the relevant laws and regulations to ensure continuous compliance.

5.5 Honest Representation

5.5.1 Vendor shall provide an honest disclosure of their organization, its experiences, qualifications, capabilities and financial status.

5.5.2 Vendor shall submit genuine and impartial references on their previous engagement and work done.

5.6 Commitment

5.6.1 Vendor shall not submit quotation or tenders without firm commitment to proceed with the contract.

5.6.2 Vendor is expected to take full responsibility and accountability for services rendered or goods provided and honour their commitments in accordance with their obligations under the agreements or contracts with Pharmaniaga.

5.6.3 Vendor is encouraged to strive for continuous improvement and to apply best practices in order to enhance the quality of delivery of products, services and works to Pharmaniaga.

6) BREACH OF THE VENDOR CODE OF ETHICS

For violation of any provisions in this Vendor Code of Ethics, Pharmaniaga may take action depending on the nature and seriousness of the breach. The actions to be imposed on Vendor include:

- Written warning – continued non-compliance will lead to more severe action;
- Penalties or any contractual or legal remedies under the law;
- Immediate termination of contract, without recourse;
- Suspension from participating in any future procurement activities for a period of up to 12 months; and/or
- Blacklisting whereby Vendor is not allowed or disqualified from any future procurement activities for a minimum of two years.

7) RAISING CONCERNS

Vendor is obligated to promptly report questionable behaviour or any actual or suspected violations of laws, this Vendor Code of Ethics and/or any contractual obligations with Pharmaniaga.

All such concerns can be reported confidentially using one of the channels:

- Hotline : 1- 800 – 182 - 082
- E-mail : alert@pharmaniaga.com
- Mail : Either of the following parties: -

“PRIVATE & CONFIDENTIAL”

- i. Chief Operating Officer,
- ii. Head of Division, Corporate Services,
- iii. Head of Division, Corporate Governance,

Pharmaniaga Logistics Sdn Bhd
No. 7, Lorong Keluli 1B
Kawasan Perindustrian Bukit Raja Selatan
Seksyen 7, 40000 Shah Alam
Selangor Darul Ehsan

In the event that the disclosure relates to any of the parties as per Item (i), (ii) and (iii) above, the Group's Divisional Directors or Board of Directors of Pharmaniaga, the disclosure may be made directly to the Employee & Industrial Relations Department at eir@pharmaniaga.com.

Pharmaniaga will maintain confidentially of the identity of the individual or Vendor who raises the concern to the extent possible.

Pharmaniaga will not tolerate any retaliation taken by its employees or Vendor against any individual or Vendor who has, in good faith, reported questionable behaviour or possible violation of laws, this Vendor Code of Ethics and/or any contractual obligations with Pharmaniaga.

ACCEPTANCE & AGREEMENT

We, [Name of the Company] (Company No.) having read and understood the abovementioned terms and conditions of this Vendor Code of Ethics hereby signify our agreement and acceptance of the same by placing our signature herein below.

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Name:
IC/Passport No:
Position:
Company stamp:

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Name:
IC/Passport No:
Position:
Company stamp: