# DUOPHARMA BIOTECH BERHAD

# INTEGRITY PACT POLICY

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**REVISION NO: 05**

**EFFECTIVE DATE : 1 JANUARY 2020**
**REVISION DATE : 14 MAY 2026**

## A. REVISION HISTORY RECORD

| Revision Date | Change Description | Revision No. | Revised by |
|---|---|---|---|
| 1 January 2020 | New | 01 | Rama Sockalingam |
| 12 August 2020 | Included signatories of GMD and AIC Chairman | 02 | Zarinah Japar |
| 18 August 2021 | Changes in the Policy | 03 | Rama Sockalingam |
| 8 November 2023 | Revision in the policy due to restructuring | 04 | John Tan Hong Tat |
| 14 May 2026 | Insert the role of Group Chief Executive Officer to align with the current organisational structure | 05 | Zarinah Japar |

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DUOPHARMA

# INTEGRITY PACT POLICY

## 1. BACKGROUND

Duopharma Biotech Berhad ("Duopharma Biotech" or the "Company") is committed to achieving the highest standards of ethical conduct and complying with all applicable laws in the countries where it conducts business.

Integrity Pact (IP) was developed by Transparency International (TI) in the 1990s, to assist Governments, Business Institutions and the Public to curb corruption. The main objective of the IP is to signify and commit Business Associates to adhere to ethical behaviour and to create a business environment that is free from corruption in tandem with the Anti-Corruption Principles for Corporations.

By signing the IP, Duopharma Biotech and its Business Associates conform to a bilateral agreement that it will not commit corrupt acts, will work towards creating a business environment that is free from corruption and will uphold the Anti-Corruption Principles in the conduct of its business and in its interactions. Although the existing laws forbid improper conduct, the persistence of corruption and abuse of power in procurement practices show the need to develop mechanisms that increase compliance with the law. Inthis sense, the IP does not duplicate the law but enables its compliance by levelling the playing field, and assuring the contenders that all will behave under the same conditions.

## 2. OBJECTIVES OF INTEGRITY PACT

The objective of this policy is to ensure that Duopharma Biotech and its Business Associates comply with all applicable laws, regulations and related policies and further:

- To enhance transparency in Duopharma Biotech's procurement approach which will reduce and eradicate corrupt practices;
- To avoid bidders or contracting parties from offering or giving bribes;
- To avoid Duopharma Biotech Directors, Officers and Employees from receiving bribes or offering bribes;
- To require Business Associates to report any bribery and/or act of corruption to Duopharma Biotech through its established whistleblowing channels and/or relevant enforcement agency;

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## 2. OBJECTIVES OF INTEGRITY PACT (*Cont'd*)

- To ensure Duopharma Biotech and/or the Business Associate does not incur unnecessary costs in carrying out Duopharma Biotech's procurement and contracting activities; and
- To improve competition, promote cost efficiency and savings through better transparency.

## 3. BENEFITS OF THE INTEGRITY PACT

The benefits of the Integrity Pact are:

- Further instilling Integrity, which is one of the Group's Core Values, in the stakeholders that Duopharma Biotech deal with;
- Enhanced access to information, which increases the level of good governance and integrity in procurement and contracting activities;
- Greater trust and confidence in the credibility and reputation at managing the business relationship and transaction;
- Reduce/eliminate opportunities for bribery, abuse of power & misappropriation of resources;
- Create a signed undertaking on the part of the Business Associate (suppliers, vendors, agents, distributors, consultants and any other third parties acting on Duopharma Biotech's behalf) and Employee that is engaged in the business activity to refrain from getting involved in corrupt practices; and
- Will be of importance to all Corporations to safeguard their interest with the implementation and enforcement of the Corporate Liability Act (Section 17A of the Malaysia Anti-Corruption Commission ("MACC") Act 2009 and MACC (Amendment) Act 2018 (Act 1567).

## 4. ESSENTIAL ELEMENTS OF THE INTEGRITY PACT

The essential elements of the Integrity Pact are:

- A pact (contract) between Duopharma Biotech Berhad and/or Duopharma Biotech Subsidiaries (the principal) inviting external commercial organisations or individuals for any type of contracts related to goods, services, consultancy, distribution and the etc.;
- An undertaking by the principal that its Directors, Officers and Employees (permanent and temporary) will not demand, offer or accept any bribe, gift, favour, benefit, advantage, or any other form of 'gratification' as defined under Clause 3 of the MACC Act 2009 (Act 694) and MACC (Amendment) Act 2018 (Act 1567);
- Appropriate disciplinary or criminal sanctions in case of violation;

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## *4.* ESSENTIAL ELEMENTS OF THE INTEGRITY PACT *(Cont'd)*

- An agreement by the Business Associate that they will not give, agree to give, offer, promise or authorise the payment of any money, bribe, gift, hospitality, favour, benefit, advantage, or any other form of gratification as defined under Clause 3 of the MACC Act 2009 (Act 694) and MACC (Amendment) Act 2018 (Act 1567) in order to obtain/retain a business deal or to obtain/retain an advantage;
- An undertaking by each Business Associate to disclose all payments made in connection with the contract in question to anybody (including agents and other middlemen as well as family members etc.);
- Business Associates are advised to have an Anti-Bribery & Anti-Corruption Policy and/or a Code of Conduct (clearly rejecting the use of bribes and other unethical behaviour) and an Ethics and Compliance programme for the implementation of the Anti-Bribery & Anti-Corruption Policy and/or a Code of Conduct throughout the Company;
- The use of arbitration as a conflict resolution mechanism and the instance to impose sanctions; and
- A pre-announced set of sanctions for any violation by either party of its commitments or undertakings, including (some or all):
  - Denial or termination of the Contract,
  - Where applicable, non-payment of fees and/or expenses under the Contract save and except for fees and/or expenses for the undisputed goods supplied and/or work done and/or services rendered,
  - Debarment by the non-defaulting Party of the defaulting Party and its directors from being considered for further or future contracts, for such period as the non-defaulting Party may deem appropriate, and
  - Initiating other legal actions as the non-defaulting Party may deem appropriate.

## 5. APPLICATION OF THE INTEGRITY PACT

This policy applies to Duopharma Biotech Berhad and subsidiaries that it has control over the management and administration of the Company regardless of the location or business registration that will apply to suppliers, vendors, agents, distributors, consultants and any other third parties acting on Duopharma Biotech's behalf, regardless of citizenship or where they conduct business.

The threshold value for the contracts to be covered through Integrity Pact has been decided to cover all significant transactions or contracts commensurate with the size and business operations of the company. The Integrity Pact can and should be applied to the full range of activities concerning a particular investment, purchase, contracting, distribution or licensing/agency activities:

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## *5.* APPLICATION OF THE INTEGRITY PACT *(Cont'd)*

i. Investments/Contracts/Work orders/Purchase Orders of both revenue and capital in nature with an estimated value equal to or exceeding RM10,000.00 or equivalent in a single transaction or in combination for a period of one year commencing January of every year.
ii. With a contract period of more than three (3) months with a value equal to or exceeding RM10,000.00 or equivalent.

## 6. INTEGRITY PACT SIGNATORIES

The approved signatories of the Integrity Pact on behalf of Duopharma Biotech Group of Companies are as follows:

| Business Associate | Entities / Departments | Signatory | Witness |
|---|---|---|---|
| Vendors / Suppliers | i. Duopharma Biotech Berhad<br>ii. Duopharma Marketing SdnBhd<br>iii. Duopharma Consumer Healthcare Sdn Bhd<br>iv. Duopharma (M) Sendirian Berhad<br>v. Duopharma Manufacturing (Bangi) Sdn Bhd<br>vi. Sentosa Pharmacy Sdn Bhd<br>vii. Unique Pharmacy (Penang) Sdn Bhd<br>viii. Negeri Pharmacy Sdn Bhd | GMC Member in charge of Purchasing Department | Head of Purchasing Department |
| Vendors / Suppliers | Duopharma HAPI Sdn Bhd ("DHAPI") | GMC Member in charge of DHAPI | Head of Department |
| | Duopharma Innovation Sdn Bhd ("DISB") | GMC Member in charge of DISB | Head of Department |
| | Duopharma Manufacturing (Glenmarie) Sdn Bhd ("DMfg(G)") | GMC Member in charge of DMfg(G) | Head of Department |
| Vendors / Suppliers / Distributor | Duopharma (Singapore) Pte Ltd ("DSING") | GMC Member in charge of DSING | Head of Business |
| Vendors / Suppliers / Distributor | DB Philippines, Inc. ("DBPhils") | GMC Member in charge of DBPhils | Head of Business |
| Vendors / Suppliers / Distributor | PT Duopharma Healthcare Indonesia | GMC Member in charge of Duopharma Indonesia | Head of Business |
| Bumi Agents | Government Business | GMC Member in charge of Government Business | Head of Department |

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## *6.* INTEGRITY PACT SIGNATORIES *(Cont'd)*

| | | | |
|---|---|---|---|
| International Distributor | International Business ("IBD") | GMC Member in charge of IBD | Head of Department |

The signatories for any other companies within the Duopharma Biotech Group that is not listed above will be determined by the Head of Group Risk Management ("HGRMI") either in consultation with the Group Managing Director ("GMD") /Group Chief Executive Officer ("GCEO") and/or the Chief Legal Officer.

## 7. EXEMPTIONS TO THE INTEGRITY PACT

The Duopharma Biotech Integrity Pact will not apply to the following Business Associates or transactions:

- Government, Ministries and Authorities;
- State / Local Government;
- Payments made to Utilities Company i.e. (Tenaga Nasional Berhad, Syarikat Bekalan Air Selangor and Department of Energy Philippines);
- Companies Limited by Guarantee owned by a Government or Ministry or Authority i.e. (Malaysian Institute of Integrity, Malaysian Institute of Directors, Institut Kefahaman Islam Malaysia, and National Institute of Occupational Safety and Health)
- Statutory Auditors;
- Legal Firms;
- Approved donations made to recognised charitable bodies i.e. MAKNA and etc.; and
- Professional or Corporate Membership payments i.e. MICG, BEIM and etc.

In the event that a Business Associate is reluctant to sign the Integrity Pact after exhausting all avenues of consultation and engagement, the liaison Department can raise the Integrity Pact Exemption form attached on *Appendix 1*. The exemption form shall be raised by the Head of Department, agreed by the GMC Member in charge and approved by the GMD/ GCEO.

A copy of the approved exemption form is to be furnished to Group Risk Management & Integrity ("GRMI") and the original copy is to be maintained by the Department.

## 8. CUSTODIAN OF THE INTEGRITY PACT / PERIODIC REVIEW AND EVALUATION

GRMI is the custodian of the Integrity Pact Policy and would conduct a periodical review of the Integrity Pact Policy to ensure adequacy and completeness. GRMI will do a periodical self-assessment of Integrity Pact Policy's effectiveness and identify areas/ways to improve.

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## 8. CUSTODIAN OF THE INTEGRITY PACT / PERIODIC REVIEW AND EVALUATION *(Cont'd)*

The respective implementors of the Integrity Pact will be the custodian of the respective Integrity Pact to ensure completeness i.e. Purchasing function will be the custodian of the Integrity Pact for the IPs signed with vendors or suppliers. All new suppliers registered with the Company would need to sign the Integrity Pact. The Government Business Department will be the custodian of the Integrity Pact signed with the Bumiputera Agents. The International Business Department will be the custodian of the Integrity Pact signed with the International Distributors.

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