



(Registration No. 200801008472 (809759-X))  
(Incorporated in Malaysia)

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **1. Policy Statement**

- 1.1 Datasonic Group Berhad and its subsidiaries (“the Group”) are committed to conduct business dealing with highest level of integrity and ethics and to comply fully with applicable laws and regulatory requirements on anti-corruption.
- 1.2 The Group’s Anti-Bribery and Anti-Corruption Policy (“Policy”) sets out the Group’s policies to prevent acts of bribery and corruption. The Group 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 should be read in conjunction with the Group’s various policies and procedures as follows:-
  - a) Code of Conduct and Ethic for Directors;
  - b) Corporate Disclosure Policy and Procedures;
  - c) Employee Business Conduct Guidelines;
  - d) Employee Handbook;
  - e) Financial Authority Limits (“FAL”); and
  - f) Whistleblower Policy and Procedures,as well as the Malaysian Anti-Corruption Commission Act, 2009 and its 2018 amendment (“MACCA”) and the scenarios provided with this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances relating to bribery and corruption.
- 1.4 Each Employee shall uphold high levels of personal and professional values in all business interactions and decisions. The Policy establishes the boundaries on interactions with all parties together with the guidance on how to act when subject to potential acts of bribery and matters of corruption. Failure to comply with this Policy, whether or not this is intentional, may lead to disciplinary action (up to and including dismissal), and criminal liability for the individual involved (up to and including imprisonment under the provisions of the laws).
- 1.5 Employees will be required to confirm that they have read and understood the Policy and that they comply with its terms as part of their ongoing employment assessment processes. In addition, relevant employees will be required to attend mandatory periodic training to support the guidance in this Policy.
- 1.6 No employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behavior, even if such refusal may result in the company losing business or experiencing delay in business operations.

## **2. Objective**

- 2.1 This Policy sets out the Group's overall position to prevent bribery and corruption practices in relation to its business activities in all forms and matters that might confront the Group in its day to day operations.

## **3. Scope**

- 3.1 This Policy applies to all Directors and Employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, protégé pupil, seconded staff, casual workers, agency staff, volunteers, interns, agents, sponsors, or any other person or persons associated with the Group (including business associates), or any of the subsidiaries or their employees, no matter where they are located. Any reference to "the Employees" shall include all individuals directly contracted to the Group on an employment basis including permanent and temporary employees and directors.
- 3.2 In the context of this Policy, business associate refers to any individual or organisation the Group has, or plans to establish, some form of business relationship. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, joint ventures, joint venture partners and government and agencies and public bodies – this includes (but is not limited to) their advisors, representatives, officials and politicians.

## **4. Definition of Bribery and Corruption**

### **Bribery**

- 4.1 Bribery is defined as any action which would be considered as an offence of giving or receiving 'gratification' under MACCA
- 4.2 Bribery means offering, promising, giving, accepting, receiving or soliciting of an advantage or value as an inducement for an action or decision which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, rewards or other advantages (taxes, services, donations, favours etc.). Bribery may be 'outbound', where someone acting on behalf of the Group attempts to influence the actions of someone external, such as a government official or client decision-maker. It may also be "inbound", where an external party is attempting to influence someone within the Group such as a decision-maker or someone with access to confidential information.
- 4.3 "Gratification" as defined in the MACCA means:-
- 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;

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- c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) any valuable consideration of any kind, any unlawful discount, commission, rebate, bonus, deduction or percentage;
- e) any forbearance to demand any money or money's worth or valuable thing;
- 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
- 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).

**Corruption**

- 4.5 Corruption is 'the abuse of entrusted power for personal gain.'
- 4.6 For the purpose of this Policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving 'gratification' under the MACCA.
- 4.7 In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

**5. Gifts and Hospitality, Facilitation Payments and Kickbacks and Charitable contributions**

**Gifts and Hospitality**

- 5.1 The Group accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of gifts meets any of the following propositions or requirements:-
  - a) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits (e.g. discounts, provision of free products or services, provision of vehicles at discounted or zero cost rates, servicing and other provisions are not permitted in exchange for undue influence).
  - b) It is in compliance with local law or does not contravenes the same.
  - c) It does not include cash or a cash equivalent (e.g. a voucher or gift certificate).
  - d) It is appropriate for the circumstances (e.g. giving small gifts during festive seasons).
  - e) It is given/received openly with proper declaration accepted by the Company's management, and not secretly or discreetly given/received.

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- f) It is not offered to, or accepted from, a government official or representative or politician or political party, without the prior approval of the Company's management.
- 5.2 Where it is inappropriate to decline the offer of a gift (i.e. when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as it is declared to the Company's Managing Director, who will assess the circumstances.
- 5.3 The Group recognises that the practice of giving and receiving business gifts varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each circumstances. Divisions/department is encouraged to develop further guidelines cascading from this Policy to streamline threshold and develop specific requirements applicable to the respective countries/division/department.
- 5.4 As good practice, gifts given and received should always be disclosed to the Company's Managing Director. Gifts from suppliers should always be disclosed.
- 5.5 The intention behind a gift being given/received should always be considered. If there is any uncertainty, the advice of the Company's Managing Director should be sought.

**Facilitation Payments and Kickbacks**

- 5.6 The Group does not accept and will not make any form of facilitation payments of any nature and adopts a strict stance that disallows facilitation payments.
- 5.7 The Group does not allow kickbacks to be made or accepted. Datasonic Group recognises that kickbacks are typically made in exchange for a business favour or advantage.
- 5.8 Datasonic Group recognises that, despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their/their family's personal security at risk. Datasonic Group equally uphold the safety of all employees as priority. In the event, that an employee's safety is at stake, a facilitation payment to protect the employee is permitted, if:-
  - a) that is the immediate available recourse to protect the safety of the employee;
  - b) the Head of Department/Managing Director's approval has been obtained; or, payment under the state of emergency had been undertaken, after which the Head of Department/Managing Director's approval must be retrospectively obtained as soon as possible.
  - c) adequate records and documents concerning the payment are adequately and properly maintained and available for audit purpose.

### **Charitable Contributions**

- 5.9 Datasonic Group accepts (and indeed encourages) the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise) that should be made directly to an official entity and agrees to disclose all charitable contributions it makes.
- 5.10 Employees must be careful and mindful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.
- 5.11 Datasonic Group will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not offered/made without the approval of the authorised personnel as set in the FAL.

## **6. Due Diligence**

- 6.1 Any arrangements, dealings or commitment the Group makes with any relevant parties or personnel (such Directors, employees, business associates and senior public officials) is subject to clear contractual terms, including specific provisions that require the relevant parties or personnel to comply with minimum standards and procedures relating to this Policy.
- 6.2 Due diligence should be conducted on any relevant parties or personnel prior to entering into any formalised relationship with the Group. The extent of the due diligence should be based on a bribery and corruption risk assessment. Methods may include background checks on the person or entity, online database, document verification process or conducting interviews with the person to be appointed to a key role where corruption risk has been identified. The results of the due diligence process must be documented, retained for at least seven years.
- 6.3 The Group shall include standard clauses in all contracts with business associates enabling the Company to terminate the contract in the event that bribery or an act of corruption has been proved to occur.

## **7. Responsibilities of Datasonic Employees**

- 7.1 All employees shall declare in writing that they have read, understood and will abide with the information, guidelines and requirements contained in this Policy. A copy of this declaration shall be documented and retained by the Group Human Capital Department for the duration of the personnel's employment. A sample declaration can be found in the ***Appendix*** of this Policy. In the event employee is unsure or is in doubt of any of the provisions or requirements, the employee must seek the advice or clarification from the Company management.

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- 7.2 All employees are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.
- 7.3 If any employee has reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, the employee must promptly notify the Head of Department or appropriate channels for guidance on the next course of action.
- 7.4 If any employee breaches this Policy, the employee will face disciplinary action and could face dismissal for gross misconduct. Datasonic Group has the right to terminate a contractual relationship with an employee if they breach this Policy. Further legal action may also be taken in the event that the Datasonic Group's interests have been harmed or compromised as a result of non-compliance.

**8. Training Awareness and Communication**

- 8.1 The Group shall conduct awareness programme for all its employees to ensure they understand the Group's anti-bribery and anti-corruption measures/position.
- 8.2 The Group will provide training on this Policy as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this Policy, and will be asked to formally accept that they will comply with this Policy.
- 8.3. The Group Human Capital Department shall maintain all records of trainings related to anti-bribery and anti-corruption attended by the employees.
- 8.4 This Policy will be clearly communicated to all business associates, and any third-parties at the outset of business relations, and as appropriate thereafter.

**9. Reporting of Policy Violations**

- 9.1 The Group practices an open-door policy and encourages all employees to share concerns and suggestions with their Head of Department who are able to address them in an appropriate manner.
- 9.2. If any employee suspects that there is an instance of bribery or corrupt activities occurring in relation to his/her employment, the employee is encouraged to raise his/her concerns at as early a stage as possible using the reporting channel stated in the Group's Whistleblower Policy. If the employee is uncertain about whether a certain action or behaviour can be considered bribery or corruption, he/she should speak to the Director or Head of Department or appropriate channels available.

- 9.3 In addition, under circumstances of suspicious behavior, allegations and/or investigation relating to bribery or corruption, the Group Human Capital Department reserves all rights to request the relevant employee to declare information regarding assets owned or family ties and relationships as relevant and as deemed necessary.

## **10. Protection**

- 10.1 If employee refuse to accept or offer a bribe or employee report a concern relating to potential act(s) of bribery or corruption, the Company understands that the employee may feel worried about potential repercussions. The Company will support any employee who raises concerns in good faith under this Policy, even if investigation finds that they were mistaken.
- 10.2 The Group will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.
- 10.3 Detrimental treatment refers to dismissal, disciplinary action, or unfavourable treatment or coercion in relation to the concern the individual raised.
- 10.4 If employee have reason to believe that they have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, the employee should inform the Head of Group Human Capital Department immediately.

## **11. Record keeping**

- 11.1 Datasonic Group will keep detailed updated and accurate financial and non-financial records related to this Policy and procedures governing anti-bribery and anti-corruption measures, and will have appropriate internal controls in place to act as evidence for all payments made.

## **12. Audit and reviewing**

- 12.1 The Group's Executive Committee is responsible for monitoring the effectiveness of this Policy and will review the implementation of the same on a regular basis so as to assess and ascertain its suitability, adequacy and effectiveness.
- 12.2 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 the Group. The outcomes of the audits should be reported to the Executive Committee and Board Audit Committee.

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- 12.3 The Group shall conduct regular corruption risk assessment to identify the bribery and corruption risks affecting the business, set anti-bribery and anti-corruption objectives, and assess the effectiveness of the controls in achieving those objectives, at least once every 3 years. The scope, findings and results must be properly updated and documented. The Board and the Board Risk Management Committee should be kept informed of the identified risks.
- 12.4 Any deviation or waiver from this Policy must be recommended by the Board Risk Management Committee for approval by the Board.

**13. Sanctions for non-compliance**

- 13.1 The Group regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event that the Group's interests have been harmed as a result of non-compliance.
- 13.2 The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- 13.3 Where notification to the relevant regulatory authorities have been done, the Group shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against any convicted Employees.

The Board has adopted this Policy on 29 May 2020.

***Appendix - Sample of Employee's Declaration***

**Declaration by Employee**

I, \_\_\_\_\_, hereby declare that I have read and understood Datasonic Group Berhad's Anti-Bribery and Anti-Corruption Policy. I will abide by the requirements and provisions set out in the Policy, as required by my employment contract.

Signature:

Name:

NRIC or Passport Number:

Employee ID/Contract Number:

Date: