



V.S. Anti – Corruption Framework (ACF) Policy

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Message from the Board of Directors

V.S. Industry Berhad, its subsidiaries and related companies are committed to uphold the highest standards of integrity in all business transactions and practices a zero-tolerance approach towards all forms of bribery and corruption, and upholds all applicable laws including all anti-corruption laws, regulations, and guidelines ("**Applicable Laws**").

We recognize and place importance on V.S. Group of Companies' relationship with all third parties including business associates, partners, vendors, suppliers, and service providers ("**Business Partners**"), and are committed to building good relationship with Business Partners who are committed to and share the same ethical business practice and standards as us.

The Anti – Corruption Framework ("**ACF**") is adopted and endorsed by the Board of Directors to evince our proactive commitment to address and mitigate the corruption risks in the V.S. Group of Companies. We do not tolerate any form of corruption and will take serious action against any attempt of corrupt practices by employees and Business Partners. Cases of suspected corruption will be investigated followed by appropriate action, including reporting to the appropriate authorities, disciplinary action, and termination of relationship.

We like to stress that each and every one of us is responsible for the prevention, detection and reporting of bribery and corruption. In the spirit of good business practices and integrity, we must comply with all Applicable Laws as well as all relevant internal policies under the ACF.

Thank you all for your support and commitment.

Datuk Gan Sem Yam
Managing Director

1.0 Overview

- 1.1 V.S. Industry Berhad, its subsidiaries and related companies (collectively, "**Company**") are committed to conduct their business professionally, ethically and with the highest standard of integrity. The Company practices a zero-tolerance approach against all forms of bribery and corruption, and upholds all applicable laws on anti-bribery and corruption.
- 1.2 In line with its policy against bribery and corruption, the Company has put in place the Anti - Corruption Framework ("**ACF**") to consolidate and manage elements, policies, objectives, and processes in relation to bribery and corruption risks in the Company. The ACF intends to fulfill the requirements set forth in the Guidelines on Adequate Procedures to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009 ("**MACCA**").
- 1.3 This V.S. Anti – Corruption Framework (ACF) Policy ("**ACF Policy**") aims to set out the main principles, policies, and guidelines upon which the Company practices in relation to anti-corruption. This ACF Policy shall be read with other documents and procedures of the ACF. It is not meant to cover all possible situations that may arise in the course of business.

2.0 Scope and Application

- 2.1 This ACF Policy applies to all:
- (a) **Boards of Directors:** including executive and non-executive directors of the Company;
 - (b) **Employees:** including directors, managers, full-time and part-time workers, agency workers, seconded workers, volunteers, and interns of the Company; and
 - (c) **Business Partners:** including business associates, partners, vendors, suppliers, agents, contractors, external consultants, third party intermediaries and any other person associated with the Company.
- 2.2 All Employees and Business Partners of the Company are required to comply with this ACF Policy, other documents and procedures under the ACF, and all applicable laws on anti-bribery and corruption.

No Employee and Business Partners shall suffer any demotion, penalty, or other adverse consequences for refusing to pay or receive a bribe, or to participate in any corrupt activities or other illicit behaviours, even if such refusal may result in the company in losing business.

3.0 Definitions

The following definitions are included in this policy.

<i>Board of Directors</i>	Directors include all independent and non-independent directors, executive and non-executive directors of the Company and shall also include alternate directors.
<i>Bribery</i>	<p>Bribery is defined as any action which would be considered as an offence of giving or receiving ‘gratification’ under MACCA.</p> <p>In practice, this means offering, giving, receiving, or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organization.</p> <p>Bribery may be ‘outbound,’ where someone acting on behalf of the Company attempts to influence the actions of someone external, such as a public official or client decision-maker. It may also be ‘inbound,’ where an external party is attempting to influence someone within the Company such as a decision-maker or someone with access to confidential information. Bribery and corruption are closely related. However, corruption has a wider remit. See ‘Corruption’ definition below.</p>
<i>Business Partner</i>	<p>An external party with whom the Company has, or plans to establish, some form of business relationship.</p> <p>This primarily include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries, investors, and any other person associated with the Company.</p>
<i>Corruption</i>	<p>The Transparency International definition of corruption is ‘the abuse of entrusted power for personal gain.’</p> <p>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 Malaysian Anti-Corruption Commission Act 2009 (MACCA) (‘Bribery’ as defined above).</p> <p>In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud, or money laundering.</p>

<i>Conflict of Interest</i>	<p>Conflicts of interest arise when you are in a position to take advantage of your role for your personal benefit, including for the benefit of your family, relatives, friends or company.</p> <p>Pursuant to the MACCA, your "relative" means your spouse, brother/sister, spouse's brother/sister, lineal ascendant/descendant, spouse's lineal ascendant/descendant, brother's/sister's lineal ascendant/descendant, uncle, aunt, cousin, son-in-law and daughter-in-law.</p>
<i>Donations and Sponsorship</i>	<p>Charitable contributions and sponsorship payment made to support the community.</p>
<i>Exposed Position</i>	<p>An employee position identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited to any role involving procurement or contract management; financial approvals; human resource; relations with public officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the company has identified as vulnerable to bribery.</p>
<i>Facilitation payment</i>	<p>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.</p>
<i>Corporate Gift</i>	<p>Something given from one organization to another, with the appointed representatives of each organization giving and accepting the gift.</p> <p>Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the company's brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the company name and logo and are of nominal value.</p> <p>Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques, umbrellas, etc.</p>
<i>Employees</i>	<p>All individuals including directors, managers, full-time and part-time workers, agency workers, seconded workers, volunteers, and interns of the Company directly contracted to the Company on an employment basis.</p>
<i>Festive Gift</i>	<p>Traditional treats or customary gifts of festive occasions such as red packets (cash or cash equivalent), hampers, mandarin oranges, cookies, etc.</p>

<i>Gratification</i>	Defined in the MACC Act as: <ul 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;(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 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).
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4.0 Conflict of Interest

4.1 There are three types of conflict of interest:

- (a) **Actual conflict of interest:** when you face a real, existing conflict. This would be the case if you can influence decisions that are to be made by the Company with respect to dealings with a business, enterprise or entity owned or partially owned by you, your family/household members, associates or friends.
- (b) **Potential conflict of interest:** when you are in or could be in a situation that may result in a conflict, but this has not fully materialized.
- (c) **Perceived conflict of interest:** when you are in or could be in a situation that may appear to be a conflict, even if this is not the case.

4.2 A conflict of interest may affect employees' judgment, decisions, and ability to perform their role objectively and effectively. As such, they should avoid conflict of interest situations wherever possible and practical.

In lieu of this, the company requires employees and business partners to disclose and declare such conflict of interest to the Company in order to mitigate such conflict of interest.

Employees Employees are required to complete the Conflict-of-Interest Declaration Form on an **annual basis**. On top of that, Employees must complete the Conflict-of-Interest Declaration Form when they become aware of an actual, potential, or perceived conflict of interest at any time.

Business Partner Business Partners are required to declare any conflict of interest by completing the Business Partner Due Diligence Form, prior to onboarding and when there is a change of circumstances.

5.0 Gifts

5.1 The Company recognizes that gifts may be used as a disguise for bribery and may be deemed as acts of corruption. As a general rule, the Company practices a "No Gift Policy" save as otherwise allowed under this ACF Policy.

5.2 Offering Gifts

5.2.1 Save for very limited circumstances, employee shall not, whether directly or indirectly, offer or promise to offer any tangible or intangible gratification in the form of gifts, services, cash, and property to any third parties, including public officials and their family/household members.

5.2.2 Employees are expected to exercise proper care and judgment, taking into account pertinent circumstances and the business context, applicable laws and cultural norms. No gifts can be offered in return for any business advantage or disguised as a bribe.

5.2.3 Generally, the offering of gift is only permitted if:

(a) the value of the gift is within a reasonable amount and the written approval of the Head of Department has been obtained; or

(b) it is of a nominal value offered to third parties as an exchange of gifts, e.g., festive gifts or corporate gifts during official Company events or function.

5.2.4 The value limit for all gift is RM500.00 and below (all inclusive) per item per entity.

Gift that is offered by employee that is above the value limit is required to complete and submit the "ACF Approval Form" and obtain approval from Head of Department and / or General Manager.

Gift that is offered by Director that is above the value limit shall obtain the approval from any Director (i.e., except for the offeror) of the Company via the ACF Approval Form.

5.3 Receiving Gifts

5.3.1 Save for very limited circumstances, employee shall not, whether for personal benefit or otherwise, directly, or indirectly, solicit and accept or receive any gift in relation to the performance of your duties from third parties.

5.3.2 The acceptance of gift is only permitted if:

(a) the gift is extended to all participants of any public event which is not exclusive to the Company and without any discrimination;

(b) the gift is extended to guests / speakers invited to any public event such as trade show, conference forum, industry meeting etc. and without any discrimination; or

(c) the refusal of the gift is likely to seriously offend or severely affect the Company's business relationship with a third party, or when it is against business etiquette or if it is impractical to refuse gifts, the gift received must be approved by employee's Head of Department and / or General Manager.

5.3.3 Any type of gifts including Corporate or Festive gifts valued at RM500.00 and above, regardless an individual item or accumulated in value, are expected to be declared by employee and shall obtain the approval from their Head of Department and / or General Manager via the ACF Approval Form.

Gift that is received by Director that is above the value limit shall obtain the approval from any Director (i.e., except for the receiver) of the Company via the ACF Approval Form.

5.4 Where the relevant approver approves the receipt of the gift, he/she shall decide whether to:

(a) donate the gift to charity;

(b) hold it for departmental display;

(c) share the gift with the others in the department; or

(d) permit it to be retained by the Employee.

5.5 When determining the next course of action, the relevant approver shall exercise good judgment and proper care in each case taking into consideration factors such as the character of the gift, its purpose, the position /seniority of the person receiving the gift, business context, reciprocity, applicable laws and cultural norms.

5.6 Strict prohibition

- 5.6.1 You are strictly prohibited from receiving and/or offering the following, whether directly or indirectly:
- (a) Any gift of cash or cash equivalent, including vouchers, discounts, coupons, shares and commission;
 - (b) Any gift involving parties engaged in a tender or competitive bidding exercise;
 - (c) Any gift that comes with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required in return for the gift;
 - (d) Any gift that would be illegal or in breach of applicable laws on bribery and corruption; and
 - (e) Any gift which is lavish and/or excessive or may adversely tarnish the reputation of the Company.

6.0 Hospitality and Entertainment

- 6.1 The Company recognizes that it is a common practice to provide modest hospitality and entertainment to build and foster business relationships. Employees are required to exercise proper care and judgment before accepting any hospitality or entertainment offered or provided by external parties. This is not only important to safeguard the Company's reputation, but also to protect employee from allegations of impropriety of undue influence.

Hospitality and entertainment come in many forms, including travel or transportation, accommodation, entertainment (e.g., karaoke and golf sessions), recreation (i.e., leisure activities) and meals.

6.2 Offering Hospitality / Entertainment

- 6.2.1 The Company recognizes that it is a common practice to provide modest hospitality and entertainment to build and foster business relationships. Employees are allowed to offer entertainment or hospitality in the form of meals / refreshments to **external third parties** provided they fall within the following limited exceptions:
- (a) it is business-related (i.e., only for those directly connected to business operations);
 - (b) it is not for spouses and other non-business guests;
 - (c) the cost of the meals is within a reasonable amount; and

(d) all payments and claims are made with supporting documents, which must be recorded and kept.

6.2.2 Business hospitality or entertainment offered to external third parties valued at RM500.00 and above per event, are expected to be declared by employee and shall obtain the approval from their Head of Department and / or General Manager via the ACF Approval Form.

Hospitality or entertainment that is offered by Director that is above RM 500.00 shall obtain the approval from any Director (i.e., except for the offeror) of the Company via the ACF Approval Form.

6.2.3 As a guide, business hospitality or entertainment **extended to employees** are acceptable. The following hospitality or entertainment need not be declared however it must be supported with documents and approval is obtained from the employee's Head of Department and / or General Manager.

- (a) Annual dinner/ gala dinner/ cocktail events which are also attended by employees or other companies / organizations;
- (b) Working lunches and other meals including those following / preceding official meetings; and
- (c) Invitations to official opening ceremonies / seminars

6.3 Receiving Hospitality / Entertainment

6.3.1 The Company recognizes that occasional acceptance of appropriate and proportionate entertainment provided by Business Associates or other parties in the normal course of business is a legitimate way to network and to build business relationships.

However, it is important for employees to always communicate our policies on anti-bribery and anti-corruption to external parties exercising proper care and good judgement before accepting entertainment offered or provided by customers, Business Partners, or other external parties. This is not only important to safeguard the Company's reputation, but also to protect employee from allegations of impropriety of undue influence.

6.3.2 Business hospitality or entertainment received from external third parties valued at RM500.00 and above, are expected to be declared by employee and shall obtain the approval from their Head of Department and / or General Manager via the ACF Approval Form.

Hospitality or entertainment that is received by Director that is above RM 500.00 shall obtain the approval from any Director (i.e., except for the offeror) of the Company via the ACF Approval Form.

6.4 Strict Prohibition

6.4.1 The Company strictly prohibits the giving and receiving of hospitality or entertainment in the following circumstances:

- (a) Any hospitality / entertainment provided or received with a view to improperly cause undue influence on any party in exchange for some future benefit or result;
- (b) Any hospitality / entertainment provided or received with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required;
- (c) Any hospitality / entertainment during specific time periods, such as parties engaged in a tender or competitive bidding exercise (where you are involved in the exercise) or contract negotiations (except for normal meals during or after contract negotiation sessions provided it is not lavish or excessive);
- (d) Any hospitality / entertainment provided or received that would be illegal or in breach of any applicable laws;
- (e) Any hospitality / entertainment that are sexually oriented;
- (f) Any hospitality / entertainment provided or received that would be perceived as lavish or excessive or may adversely tarnish the reputation of the Company; or
- (g) Any hospitality / entertainment offered or accepted frequently with the same party.

7.0 Donation and Sponsorships

7.1 As part of its commitment to corporate social responsibility, the Company provides donations and sponsorships in appropriate circumstances in accordance with its prescribed internal policies and procedures. However, all donations and sponsorships must be carefully examined for its legitimacy and not be given to improperly influence a business outcome.

7.2 Requirements

7.2.1 In order to mitigate against the risk of bribery and corruption, all requests for donations and sponsorships must comply with the following:

- (a) Ensure such contributions are allowed by applicable laws;
- (b) Obtain all the necessary approval within the Company;

- (c) Conduct appropriate due diligence to ensure requests are legitimate;
- (d) Ensure contributions are made to legitimate entities having an adequate organizational structure for proper administration of the funds;
- (e) Be accurately recorded and kept in the Company's accounting books and records; and
- (f) Not to be used as a means to cover up a bribery.

7.2.2 Due diligence must be conducted by the requestor to ensure that the requests are legitimate and any red flags raised are solved prior to committing the funds.

7.3 Political Donation

7.3.1 As a general rule, the Company, whether in the form of direct financial support, pledges or through the use of its assets to support any political candidate, incumbent or party, does not make any political donations or contributions.

7.3.2 The Company encourages Employee to participate in the political election process by voting. However, under no circumstances will any Employee be compensated or reimbursed in any way by the Company for a personal political donation or contribution.

7.3.3 In the event that the Company receives a request for political donation or contribution, such request must be escalated to the Board of Directors for review.

7.4 Strict Prohibition

7.4.1 Donations and sponsorship are strictly prohibited in the following situations:

- (a) Any donation or sponsorship request that comes with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required;
- (b) Any donation or sponsorship that is illegal or in breach of any applicable laws; and
- (c) Any donation or sponsorship that may otherwise tarnish the reputation of the Company.

8.0 Facilitation and Extortion Payment

8.1 All facilitation and extortion payments, whether made/received directly or indirectly, are prohibited. In the event that you are forced to make a facilitation and/or extortion payment to protect your life, limb or liberty, you must immediately report any facilitation and/or extortion payment to the Compliance Officer.

- 8.2 Facilitation payment, commonly referred to as "Duit Kopi", is an illegal or unofficial payment made in return for services which the payer is legally entitled to receive without making such payment.

It often takes form as a payment to a public official or person who has authority to grant certification, licenses, permissions or permits, in order to secure or expedite such process. While facilitation payments are often made in cash, it is important to note that facilitation payments may also be in the form of any advantage with the intention to influence a decision or an outcome.

- 8.3 Extortion payment is the demanding of a gratification, whether or not coupled with a threat if the demand is refused.

9.0 Due Diligence and Other Controls

- 1.1 The Company expects its Employees and Business Partners to act with the highest integrity and undertake a zero-tolerance approach towards all forms of bribery and corruption. As such, the Company conducts appropriate and adequate due diligence on all employees and Business Partners before entering a formalized relationship.

Employees All prospective employee will go through the prescribed due diligence process. In respect of vacant positions that may be exposed to higher corruption risk, the respective employee is subject to additional due diligence process.

All Employee are required to undertake an integrity pledge annually and attend trainings in relation to ACF.

Business Partner All Business Partners are required to go through the Due Diligence Process to assess their corruption risks by completing the Business Partner Due Diligence Form and are required to undertake an integrity pledge prior to onboarding and when there is a change of circumstances.

Business Partner where required may attend trainings in relation to the ACF.

10.0 Whistleblowing

- 10.1 The Company encourages all its Employee and Business Partners to report any real and/or suspected incidents of bribery or corruption, whether on an anonymous or named basis.

- 10.2 In line with the above, the Whistleblowing Policy has been put in place to establish a secure and confidential channel for you to report any integrity concerns, including any real and/or suspected incidents of bribery or corruption, without fear of victimization or retaliation.
- 10.3 Provided that the report, complaint, or disclosure is made in good faith, the Company offers anyone who makes a report, complaint, or disclosure about any real and/or suspected corruption the protection of confidentiality to the extent reasonable, and protection against detrimental action for making the report.
- 10.4 Please refer to the Whistleblowing Policy for more information.

11.0 Non – compliance and Investigation

- 11.1 Without prejudice to the other rights and remedies available to the Company, any non-compliance with or violation of the ACF will result in disciplinary action. Depending on the circumstances of the matter, such disciplinary action may include reprimand, probation, suspension, demotion, salary reduction, bonus elimination or termination.
- 11.2 Any Employee who become aware of any violation of the Company's policies or any violation committed by other Employee or Business Partners is obliged to report such violations to the Compliance Officer. Employee who knowingly fail to report such violations may be subject to disciplinary action.
- 11.3 The Company will conduct appropriate investigations in the most objective and professional manner where any non-compliance of the ACF is detected or reported.

12.0 Audit and Risk Management

- 12.1 The Audit Committee ("**AC**") oversees the internal audit and external audit in relation to the ACF, who shall be periodically informed of their findings for review and further action.
- 12.2 The Internal Audit Department is responsible to carry out an internal audit on the Company's policies and procedures on an annual basis to evaluate the compliance with the ACF and to identify areas for improvement; and
- 12.3 The Internal Audit Department shall consider an external audit to be conducted every 3 years to obtain assurance that the Company is operating in compliance with its policies and procedures on anti-corruption.
- 12.4 The Risk Management and Compliance Committee ("**RMCC**") oversees the risk management in relation to the ACF. The Risk Management Department is responsible to

carry out risk assessment to identify and assess any internal and external corruption risks of the Company:

- (a) once every year; and
- (b) when there is a change in law or circumstance of the business.

13.0 Record Keepings and Amendment

- 13.1 Record keeping is integral to the ACF as it serves as evidence that the Company has taken adequate measures and proper procedures in addressing corruption risks and issues. All ACF stakeholders are responsible for keeping proper and up-to-date documentation in their course of complying with the ACF.
- 13.2 The Company reserves the right to amend, update or replace the policies and procedures under the ACF or any part of it from time to time based on legislative requirements and other circumstances. Such amendments or replacement shall be binding on all Employee and Business Partners where applicable.