

**CONFIDENTIAL**



**SERBA DINAMIK HOLDINGS BERHAD**

**ANTI CORRUPTION & ANTI BRIBERY POLICY**

**(Approved by the Board of Directors on 20 May 2020)**

Prepared by:



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## 1. PURPOSE

The purpose of this Policy is to set out the responsibilities of the Group, in observing and upholding Group's position on bribery and corruption; and to provide information and guidance to those working for the Group on how to recognize and deal with bribery and corruption issues.

## 2. DEFINITIONS

- **Bribe** – Anything of value given in an attempt to affect a person's actions or decision in order to gain or retain a business advantage.  
Anything of value includes cash, entertainment or others gifts or courtesies.
- **Corruption** – The misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
- **Facilitation Payments** – Small sums, unofficial payment made to secure or expedite a routine government action by a government official.
- **Kickbacks** – The return of a sum already paid or due as a reward for awarding of furthering business.

## 3. PRINCIPLES

The Group conduct all business in an honest and ethical manner.

The Group take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all relationships and business dealings wherever it operates and to implementing and enforcing effective system to counter bribery.

The Group will uphold all laws relevant to countering bribery and corruption.

The Group remain bound by the laws of the Malaysia, including Anti-Corruption Act 1997 (ACT 575), in respect of conduct both at home and abroad.

Corruption and bribery are criminal offences and are punishable for individuals by up to 10 years' imprisonment and unlimited fine, and if The Group is found to have taken part in corruption, it could face an unlimited fine and face damage to its reputation.

In this Policy "3<sup>rd</sup> party" means any individual or organization come into contract with at work, and includes actual and potential customers, supplies, distributors, business contacts, agents, advisers, consultants, subcontractors and joint ventures partners.

To address these risks, The Group has taken the following steps:

- Implement this Policy;
- Perform regular corruption risk assessment on operations and review findings;
- Take steps to implement training programmes for all individual operating in areas of the Group that are identified as high risk; and
- Regular review and update to this Policy.

#### **4. SCOPE**

This Policy applies to all companies within the Group.

This includes all individual working at all levels and grades, including senior managers, managers, officers, directors, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, volunteers, interns, agents, sponsors, suppliers, customers, any 3<sup>rd</sup> party and any other person associated with the Group.

#### **5. DONATIONS & POLITICAL CONTRIBUTION**

The Group does not make charitable donations or contributions to political parties.

Whilst employees are permitted to make personal political contributions, the Group will not make any reimbursement for these personal political contributions back to its employees.

Contributions or donations made by the Group to community projects or charities need to be made in good faith and in compliance with the Group's Code of Ethics, this Policy and all relevant Group's policies and procedures.

#### **6. PROCUREMENT PROCESS**

The Group had processes and adheres to the system of internal controls around supplier selection.

Supplier selection should never be based on receipt of a gift, hospitality or payment.

When supplier selection is formal, structured invitation for the supply of goods and services (often called a "tender"), it is most important for the Group to maintain documentation supporting its internal controls.

A tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality.

Due diligence of new suppliers in supplier selection should include elements of corruption including bribery.

## **7. RESPONSIBILITIES**

The Group takes corruption and bribery very seriously.

Any violation of this Policy will be regarded as serious matter by the Group and is likely to result in disciplinary action, including termination, consistent with established law.

The Board has oversight of this Policy and the Management are responsible for ensuring the compliance with this Policy.

Every employee and manager is required to be familiar with and comply with this Policy.

Bribery is a criminal offense.

An employee will be accountable whether he/she pays a bribe himself/herself or whether he/she authorizes, assists, or conspires with someone else to violate an anti-corruption or anti-bribery law.

Punishment for violating the law are against him/her as an individual and may include imprisonment, probation, mandated community service and significant monetary fines which will not be paid by the Group.

Employee must notify his/her manager as soon as possible if he/she believes or suspect that a conflict with this Policy has occurred, or may occur in future.

For example, if a customer or potential customer offers him/her something to gain a business advantage with the Group, or indicates to him/her that a gift or payment is required to secure their business.

Further indications that may point towards bribery or corruption are defined in **Appendix 1**.

## **8. RECORD-KEEPING**

The Group must keep financial records and have appropriate internal controls in place which will evidence that business reason for making payments to third parties.

The Group ensure all expenses claims relating to hospitality, gifts or entertainment incurred to third parties are submitted in accordance with the Group's Reimbursement Policy.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, supplies and business contracts, should be prepared and maintained with strict accuracy and completeness.

No accounts must be kept "off-book" to facilitate or conceal improper payments.

## **9. PROTECTION**

Employees who refuse to accept or offer a bribe or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions.

The Group aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy even if they turn out to be mistaken.

## **10. TRAINING & COMMUNICATION**

All existing employees operating in areas that are perceived as high risk will receive regular, relevant training on how to implement and adhere to this Policy.

The Group's zero-tolerance approach to corruption and bribery must be communicated to all suppliers, contractors, agents, business and other partners at the outset of our relationship with them and as appropriate thereafter.

## **11. MONITORING & REVIEW**

All employees are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Internal control systems and procedures will be subjected to regular audits to provide assurance that they are effective in countering corruption and bribery.

### **APPENDIX 1 – POSSIBLE RED FLAGS**

The following is a list of possible red flags that may arise for an individual while working for the Group and which may raise concerns under various anti-corruption and anti-bribery laws.

The list is not intended to be exhaustive and is for illustration purposes only.

If employees encounter any of these red flags while working for the Group, he/she must report them promptly to his/her manager or to the HR Manager or to the Appointed Person as defined under the Whistle Blower Policy.

- a. Become aware that a third party engages in, or has been accused of engaging in improper business practices;
- b. Learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- c. A third party insists on receiving a commission or fee payment before committing to sign up a contract with us, or carrying out a government function or process for the Group;
- d. A third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoices or receipt for a payment made;
- e. A third-party requests payment in made to a country or geographic location different from where the 3<sup>rd</sup> party resides or conducts business;
- f. A third party requests an unexpected additional fee or commission to "facilities" a service;
- g. A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- h. A third-party request that a payment is made to "overlook" potential legal violations;
- i. Receive an invoice from a 3<sup>rd</sup> party that appears to be non-standard or customized;
- j. A third party insists on the use of side letters or refuses to put terms agreed in writing;
- k. Notice that the Group has been invoiced for a commission of fee payment that appears large given that service stated to have been provided;
- l. A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or know to the Group; or
- m. Been offered an unusually generous gift or offered lavish hospitality by a 3<sup>rd</sup> party.