



# ANTI-BRIBERY AND CORRUPTION POLICY

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## **1. INTRODUCTION**

The Anti-Bribery and Corruption Policy (“ABC Policy” and/or “the Policy”) is a set of guidelines and principles stringently adopted by the Company as part of its business code of conduct and ethics. Having a clear and unambiguous policy statement on the Company’s position regarding Bribery & Corruption forms the cornerstone of an effective business integrity system.

## **2. ANTI-BRIBERY AND CORRUPTION COMMITMENT**

The Company is committed to conducting business dealings with integrity. This means avoiding practices of Bribery & Corruption of all forms in the Company’s daily operations.

The Company has adopted a zero-tolerance approach against all forms of bribery and corruption. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business.

The Policy leverages on the values and core principles as commonly recognized in generally accepted business codes of conduct and ethics. Full compliance to both the spirit and the letter of this Policy is mandatory and should be maintained using a principle-based approach.

## **3. OBJECTIVE**

This policy sets out the Company’s overall position on bribery and corruption in all its forms.

## **4. SCOPE**

This policy is applicable to the Company, its Controlled Organisations, business associates, resellers, agents and distributors acting on the Company’s behalf, the Board of Directors and all the Company’s Personnel.

## **5. REFERENCES**

Code of Business Conduct and Ethics

Corporate Gift and Business Entertainment Policy

Whistleblowing Policy

## **6. DEFINITIONS**

“Audit Committee” means the Audit Committee of the Board of Directors of the Company;

“Bribery & Corruption” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA) and all amendments thereof. 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 who is in a position of trust within an organisation.

Bribery may be ‘outbound’, where someone acting on behalf of the Company 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 Company such as a senior decision-maker or someone with access to confidential information.

“Gratification” is defined in the MACCA to mean the following:

(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).

"Business Associate" means an external party with whom the Company has, or plans to establish, some form of business relationship. This may include clients, customers, resellers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

"Conflict of Interest" means when a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making at the Company.

"Controlled organisation" means an entity where the Company has the decision-making power over the organisation such that it has the right to appoint and remove the management. This would normally be where the Company has the controlling interest (>50% of the voting share ownership), but it could be where there is an agreement in place that the Company has the right to appoint the management, for example a joint venture where the Company has the largest (but still <50%) allocation of the voting shares;

"Corporate Gift" means something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, road shows, 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. Examples of Corporate Gifts include items such as diaries, festival hampers, table calendars, pens, notepads, plaques and many others.

"Donation & Sponsorship" means charitable contributions and sponsorship payments made to support the community. Examples include sponsorship of educational events, supporting NGOs, and other social causes;

"Exposed Position" means a staff position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving: procurement or contract management; financial approvals; human resource; relations with government 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;

"GM HR" means General Manager of Human Resources

"Hospitality" means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as Company offices, with or without the personal presence of the host. Provision of travel may

also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included and many others.

“CTOS Group” or “Company” refers to CTOS Digital Sdn Bhd, CTOS Data Systems Sdn Bhd, CTOS Business Systems Sdn Bhd, Intellidata Solutions Sdn Bhd, Automated Mail Responder Sdn Bhd, CTOS Basis Sdn Bhd, CTOS SG Ptd Ltd, CIBI Information Inc and its group of companies;

“Personnel” means directors and all individuals directly contracted to the Company on an employment basis, including permanent and temporary employees.

## **7. POLICY OWNER**

Human Resources (HR) is the owner of this policy.

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

8.1 Bribery and corruption in all its forms as it relates to the activities of the Company and its Business Associates is prohibited.

8.2 Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. Personnel of the Company and its business associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of the Company or the persons involved in the transaction.

8.3 The anti-bribery and corruption statement applies equally to its business dealings with commercial (‘private sector’) and Government (‘public sector’) entities, and includes their directors, personnel, agents and other appointed representatives. Even the possible appearance of bribery or corruption is to be avoided, in particular when dealing with Government officials.

8.4 The anti-bribery and corruption statement applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.

8.5 No employee or external party will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

8.6 The Company is also committed to conducting due diligence checks on prospective Personnel, particularly as it relates to appointments to positions where a significant bribery or corruption risk has been identified.

## **9. RECOGNITION OF LOCAL AND INTERNATIONAL LEGISLATION**

9.1 The Company is committed to conducting its business ethically and in compliance with all applicable laws and regulations in the countries where it does business.

9.2 These laws include but are not limited to the Malaysian Penal Code (Act 574) (and its amendments), the Malaysian Anti-Corruption Commission Act 2009 and its amendments, the Companies Act 2016, the US Foreign Corrupt Practices Act 1977, and the UK Bribery Act 2010. These laws prohibit bribery and acts of corruption, and mandate that companies establish and maintain accurate books and records and sufficient internal controls.

9.3 In cases where there is a conflict between mandatory laws and the principles contained in this and other policies, the law shall prevail.

## **10. GIFTS, DONATIONS AND SPONSORSHIPS**

10.1 Company Personnel are prohibited from receiving or asking for (soliciting) gifts from external parties. Under no circumstances may Personnel accept gifts in the form of cash or cash equivalent, including gift certificates, loans, commissions, coupons, discounts or any other related forms. Further details are set out in Corporate Gift and Business Entertainment Policy.

10.2 The only form of gift-giving allowed to external parties is a Corporate Gift. Any gift-giving or event of Hospitality is subject to approval according to limits of authority and must fulfil the following conditions:

- a) They are limited, customary and lawful under the circumstances;
- b) They do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions.
- c) There must be no expectation of any specific favour or improper advantages from the intended recipients;
- d) The independent business judgment of the intended recipients must not be affected;
- e) There must not be any corrupt / criminal intent involved; and
- f) The giving out of the gift and Hospitality must be done in an open and transparent manner.

10.3 Donation & Sponsorship are permitted in accordance with the Company's appropriate policies in force from time to time. However, the Company prohibits the giving and receiving of Donation & Sponsorship to influence business decisions.

10.4 The Company shall not make donations and sponsorships (in money, time or products) to (i) political parties, (ii) politicians and their associates, (iii) facilitate political activities, and (iv) to persons that may have affiliations thereto. In essence, neither donations nor sponsorships whether in money, time or products are to be made to any organizations, or in respect of activities or persons that give rise to doubt, suspicion or which may reflect upon the Company poorly.

## **11. FACILITATION PAYMENTS**

11.1 The Company adopts a strict policy of disallowing the use of facilitation payments in its business and further forbids any of its Business Associates in carrying out the same in connection with business dealings involving the Company and/or its facilities and premises. Facilitation payment is a payment or other provision made personally to an individual or party(ies) in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function

11.2 Personnel shall decline to make the payment and report to GM HR immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been made and Personnel are unsure of the nature, the GM HR must be notified immediately, and the payment recorded accordingly.

11.3 Only in the event that an employee's security is at stake is it permitted to make the payment. The employee must immediately report the incident to their Head of Department and GM HR to record the details and keep a record of what was spent or if there were any improprieties.

## **12. SUPPORT LETTERS**

The Company awards tenders, contracts and employee positions purely on a merit basis. Therefore, support letters in all forms shall not be recognised as part of the business decision making process.

### **13. RECRUITMENT, PROMOTION AND SUPPORT OF PERSONNEL**

13.1 The Company recognises the value of integrity in its Personnel and Business Associates. The Company's recruitment, training, performance evaluation, remuneration, recognition and promotion for all Personnel, including management, shall be designed and regularly updated to recognize integrity

13.2 The Company does not offer employment to prospective Personnel in return for their having improperly favoured the Company in a previous role.

### **14. BUSINESS ASSOCIATES**

14.1 All Business Associates (including external providers such as consultants, advisors, and agents) acting on behalf of the Company or in connection with the Company in certain business dealings are required to comply with this Policy and all other policies as it relates to them.

14.2 In circumstances where the Company retains controlling interest, such as in certain joint venture agreements, Business Associates are required to adhere to this Policy. Where the Company does not have controlling interest, associates are encouraged to comply with the same.

14.3 Due diligence should also be carried out with regards to any Business Associates intending to act on the Company's behalf as an agent, reseller or distributor or in other representative roles, to ensure that the entity is not likely to commit an act of Bribery & Corruption in the course of its work with the Company.

14.4 The extent of the due diligence should be based on a Bribery & Corruption risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, self-declaration, and documenting the reasons for choosing one particular Business Associate over another. The results of the due diligence process must be documented, retained for at least seven years and produced on request by the custodian of the process.

14.5 The Company 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. Additional clauses may also be included for Business Associates acting on the Company's behalf where a significant bribery risk has been identified.

### **15. RESPONSIBILITIES OF CTOS GROUP PERSONNEL**

15.1 The Personnel (including its directors, and directors and Personnel of its Controlled Organisations) are required to carry out those responsibilities and obligations relating to the Company's anti-bribery and corruption stance, alongside those already in existence, which includes the following:

- a) Be familiar with applicable requirements and directives of the policy and communicate them to subordinates;
- b) Promptly record all transactions and payments in the Company's books and records accurately and with reasonable detail;
- c) Ask the GM HR if any questions about this policy arise or if there is a lack of clarity about the required action in a particular situation;
- d) Always raise suspicious transactions and other "red flags" (indicators of Bribery & Corruption) to immediate superiors for guidance on the next course of action;
- e) Be alert to indications or evidence of possible violations of this policy;
- f) Promptly report violations or suspected violations through appropriate channels;
- g) Attend required anti-bribery and corruption training as required according to position; and

h) Not misuse their position or the Company's name for personal advantage.

15.2 When dealing with business associates, all Personnel shall not:

- a) express unexplained or unjustifiable preference for certain parties;
- b) make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
- c) exert improper influence to obtain benefits from them; and
- d) directly or indirectly offer or make promise or corrupt payments, in cash or in kind for a specific favour or improper advantage from them.

15.3 During an active or anticipated procurement or tender exercise, Personnel participating in the exercise in any way whatsoever, shall not:

- a) receive gifts or Hospitality or any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise;
- b) provide anything other than a Corporate Gift and token Hospitality to any external/third party related to the exercise;
- c) be involved in any discussions regarding business or employment opportunities, for personal benefit or for the benefit of a Business Associate or other related parties;
- d) abuse the decision-making and other delegated powers given by the top management; and
- e) bypass normal procurement or tender process and procedure.

15.4 When dealing with external parties in a position to make a decision to the Company's benefit (such as a Government official or client), Personnel shall not:

- a) offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offering or making any promise of corrupt payments, in cash or in kind;
- b) be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party or other related parties;
- c) otherwise abuse the decision-making and other delegated powers given by the top management, in order to illicitly secure an outcome which would be to the commercial advantage to themselves and/or the Company; and
- d) exert improper influence to obtain personal benefits from them.

15.5 The Company's managers have a particular responsibility to ensure that the requirements of this Policy are applied and complied with within their department or function and to monitor compliance with the policy. They also must ensure that subordinates in 'exposed positions' is duly aware of this policy contents and to comply fully in implementing this policy.

15.6 HR have a particular responsibility to ensure that the requirements of this Policy are applied and complied with within their department or function and to monitor compliance with the policy.

## **16. CONFLICTS OF INTEREST**

16.1 Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company. All Personnel should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, Company's resources and assets, or information available to them for personal gain or to the Company's disadvantage.



16.2 In situations where a conflict does occur, Personnel are required to declare the matter to the Company's management.

## **17. STAFF DECLARATIONS**

17.1 All Personnel shall certify in writing that they have read, understood and will abide by this Policy. A copy of this declaration shall be documented and retained by HR for the duration of the Personnel's employment.

17.2 HR reserves the right to request information regarding an employee's assets in the event that the person is implicated in any incident or allegation involving Bribery & Corruption.

## **18. ANTI-BRIBERY AND CORRUPTION COMPLIANCE FUNCTION**

18.1 The Company shall establish and maintain an anti-bribery and corruption compliance function within the HR to oversee the design, implementation and management of this Policy.

18.2 HR shall perform functions below within the Company structure, equipped to act effectively against Bribery & Corruption:

- a) provide advice and guidance to Personnel on this Policy and issues relating to bribery and corruption;
- b) take appropriate steps to ensure that adequate monitoring, measurement, analysis and evaluation of the Policy is performed; and
- c) report on the performance of this Policy to the top management and Audit Committee when required.

18.3 The Company shall conduct regular risk assessments to identify the bribery and corruption risks affecting the business, set anti-bribery and corruption objectives, and assess the effectiveness of the controls in achieving those objectives.

## **19. TRAINING AND AWARENESS**

19.1 The Company shall conduct an awareness programme for all its Personnel on the Company's position regarding anti-bribery and corruption, integrity and ethics.

19.2 The Company aims to provide training periodically, in commensurate with the level of Bribery & Corruption risk related to the position. Training should be provided to Personnel who are:

- a) new to the Company; and
- b) appointed to or currently occupying Exposed Positions.

19.3 HR shall maintain records to identify which Personnel have received training, receiving relevant communication on the policy and update the training schedule.

## **20. REPORTING OF POLICY VIOLATIONS**

20.1 Suitable reporting channels shall be established and maintained for receiving information regarding violations of this policy, and other matters of integrity provided in good faith by the Company Personnel and/or external parties.

20.2 Personnel who, in the course of their activities relating to their employment at the Company, encounter actual or suspected violations of this policy are required to report their concerns using the reporting channels stated in Whistleblowing Policy.

20.3 Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

20.4 Retaliation in any form against Personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any Company Personnel found to have deliberately acted against a person who has in good faith reported a violation or possible violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which the Company may pursue.

## **21. AUDIT AND COMPLIANCE**

Regular audits shall be conducted to ensure compliance to this policy. Such audits may be conducted internally by the Company or by an external party approved by the Company. Audit documentation should include performance improvement action plans.

## **22. SANCTIONS FOR NON-COMPLIANCE**

22.1 Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the top management and Audit Committee in a timely manner in accordance with the level of risk identified.

22.2 The Company regards Bribery & Corruption as serious matters and will apply penalties in the event of non-compliance to this policy. For Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment and further action in accordance with the law.

22.3 For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that the Company's interests have been harmed by the results on non-compliance by individuals and organisations.

## **23. CONTINUOUS IMPROVEMENT**

23.1 Any concerns to improve this Policy can be channelled to GM HR.

23.2 The Company shall monitor the legal and regulatory regimes where it operates and any changes to Company's business environment and risks and identify opportunities for improvement of this Policy. A report should be submitted to the top management and Audit Committee on a regular basis for the appropriate action to be taken.

23.3 Regular assessments of this Policy should be carried out to ensure its scope, policies, procedures and controls match the Bribery & Corruption related risks faced by the Company.