



AYS VENTURES BERHAD
Company No. 925171-T
(Incorporated in Malaysia)

ANTI-BRIBERY AND CORRUPTION POLICY

31 MAY 2020

Introduction

AYS Ventures Berhad and its subsidiaries (hereinafter collectively referred to as “AYS Group” or “Group”) take a zero-tolerance approach towards bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all business dealings and relationships wherever the Group operates.

All employees (including full time, probationary, contract and temporary staff) and Directors (hereinafter collectively referred to as “Employees”) of the Group shall comply with all applicable anti-bribery and corruption laws and regulations in their respective jurisdictions. All persons who perform services for or on behalf of AYS Group are expected to comply with the relevant parts of the Anti-Bribery and Corruption Policy (“ABC Policy”) when performing such work or services.

AYS Group shall take reasonable and appropriate measures to ensure that its businesses do not participate in bribery and corrupt activities for its advantage or benefit. This ABC Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

Objective

The objective of the Policy is to provide information and guidance to the Employees on standards of behavior to which they must adhere to and how to recognize as well as deal with bribery and corruption.

The ABC Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

Scope

The ABC Policy is applicable to all Employees of the Group. Each Employee has a duty to read and understand the Policy. Violation of any of the Policy’s provisions may result in disciplinary action, including termination of employment, and also criminal charges.

This Policy shall be read together with other related internal policies/ frameworks/ procedures/ guidelines/ manuals (including but not limited to Code of Business Conduct, Whistleblowing Policy, Financial Authority Limit, Employee Handbook and other Human Resource Policies and Procedures) and /or external policies/ frameworks/ procedures/ guidelines/ manuals issued by the governing authorities (including but not limited to Malaysian Anti-Corruption Commission (“MACC”) Act 2009 and its amendment). In the unlikely event of any conflict or inconsistency between the ABC Policy and the laws and regulations of Malaysia, the latter shall prevail.

Joint ventures companies in which AYS Group is a non-controlling co-venturer and associated companies shall adopt similar principles and standards.

Definition of Bribery and Corruption

Bribery is the offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.

Corruption is the abuse of entrusted power for personal gain.

Conflict of Interest

Conflicts of interest arise in situations where there is a personal interest that might be considered to interfere with that person's objectivity when performing duties or exercising judgement on behalf of the Group. Employees should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties. Employees shall always ensure their business dealings with business associate are on arms' length basis.

The **Code of Business Conduct** sets out the commitment to avoid, disclose and resolve conflict of interest promptly if they arise.

In situations where confronted with such conflict, Employees are required to complete the **Conflicts of Interest Disclosure Statement** and to obtain approval from Head of Operating Unit. Conflicts of interests which are fully disclosed in certain circumstances may be acceptable, with appropriate mitigations have been agreed and duly implemented. In the event such conflict cannot be resolved in that manner, it shall be escalated to Group Human Resources for advice, and/or Group Managing Director ("GMD")/ Deputy Managing Director ("DMD") for final decision.

Under circumstances of suspicious behavior, allegations and/or investigations relating to bribery or corruption, Group Human Resources reserves all rights to request the relevant Employee to declare information regarding assets owned as deemed necessary.

Gift, Hospitality and Entertainment

This Policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest and bona fide corporate hospitality.

The giving or receipt of gifts, hospitality and entertainment is not prohibited, if the following requirements are met:

- it is not made with the intention of influencing any Business Associate or third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits;
- it complies with local law;
- it is given in the Company's name, not in the name of an employee;
- it is appropriate in the circumstances. For example, it is customary for festive gifts to be given during festival season;
- it is given openly, not secretly;
- gifts should not be offered to, or accepted from, public officials or representatives without the prior approval obtained; and
- It is approved and is properly recorded.

Some example of acceptable gifts and/or benefits are as follows: -

- Exchange of gifts at the company-to-company level;
- Gifts from the Group to external institutions or individuals in relation to the Group's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to guests attending the event);
- Gifts from the Group to employees and/or their family members in relation to an internal or externally recognized Group functions, events and celebrations (e.g. in recognition of an employee's service to the Group);
- Token gifts of nominal value normally bearing the Group's logo (e.g. t-shirts, diaries, calendars and other small promotional items);
- refreshments or meals during meetings or as participants of work-related conferences and/or seminars;
- meals for business purposes; and
- Gifts to external parties who have no business dealings with the Group (e.g. monetary gifts or gifts in-kind to charitable organizations).

As a general principle, the Employees should not accept or giving gift, hospitality and entertainment to a business associate or any third party if it is made with the intention of influencing the business associate or third party to obtain or retain business, or in exchange for favors or benefits. In addition, lavish or unreasonable gifts, hospitality or entertainment should not be accepted as it may be perceived or interpreted as attempts by the Employees to obtain or receive favorable business treatment for personal benefits.

The Employees should be mindful in giving or receiving gifts, hospitality or entertainment as it could be perceived as a way of improperly influencing the decision making of the recipient. Hence, the intention behind the gifts, hospitality or entertainment should always be considered.

Donations and Sponsorships

Donations and sponsorships in the form of charity may be permissible depending on the circumstance but should be made directly to an official entity and be able to be disclosed publicly when required to. Appropriate due diligence must be conducted in particular to ascertain that the benefits reach their intended recipients whilst the programmes meet the intended objectives.

Employees must be careful to ensure that donations and sponsorships are not used as a scheme to conceal bribery. No donations and sponsorships can be offered or made without the prior approval in accordance with the Financial Authority Limit. The records of all donations and sponsorships shall be kept by the Managing Director's office and Accounts & Finance Department.

Facilitation Payments

Facilitation payments are unofficial payments or other advantages made to secure or expedite the performance of a routine or administrative duty or function. Employees shall not promise or offer, or agree to give or offer, facilitation payments to any person of any kind.

However, there could arise circumstances in which the Employees have no alternative but to make a facilitation payment in order to protect themselves from injury, loss of life or liberty. In the event that an Employee's safety is at stake, a facilitation payment to protect the Employee is permitted if:-

- (i) that is the immediate available recourse to protect the safety of the Employee;
- (ii) Authorized approval has been obtained; or, payment under the state of emergency had been undertaken, after which the authorized approval must be retrospectively obtained as soon as possible.

Financial Controls/ Non-Financial Controls

AYS Group adopts separation of duties for all jobs functions either it is financially or non-financially related. For jobs related to financial activities, employees must comply to the Financial Authority Limit for its respective approval authority. Further, for financial activities (such as disbursement and payment activities), AYS Group strictly adopts multiple signatories to further mitigate any bribery and corruption risk.

For jobs related to non-financial activities, Head of Operating Units shall refer to the Financial Authority Limit to design appropriate authority to its employees, together with appropriate check and balance mechanism in order to mitigate any bribery and corruption risks.

Record Keeping

It is important that proper and complete records be maintained of all payments made to business associates and third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with business associates and third parties should be prepared and maintained with accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

Employees must declare all hospitality or gifts accepted or offered in accordance with this Policy and Guidelines, and submit details to the person in-charge who is assigned by the respective Company for recording into a register which will be subject to internal audit review. Employees must also ensure that all expense claims relating to gifts, hospitality and entertainment or expenses incurred to business associates and third parties are approved and must be specifically recorded the reason for such expenditure.

All records in relating to this Policy must be properly documented, maintained, and approved by approving authority. Records should be retained for a significant period of time in order to comply with the local law as well as Group's policy/ standard procedures.

Due Diligence for Business Associates

All Business Associates should be made aware of this Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption. For the purpose of this policy, Business associate is defined as an external party with whom the Group has, or plans to establish, some form of business relationship, including but not limited to clients, customers, joint ventures, joint

venture partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

If suspicion of bribery and corruption arises in the dealings with any Business Associate, the Group shall seek an alternative provider of the services / goods.

If the Group is not satisfied that bribery and corruption prevention has been upheld, due diligence shall be undertaken with regards to any Business Associate intending to act on the Group's behalf.

The extent of the due diligence should be risk-based and shall include a bribery risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another.

The Group shall endeavor to include clauses in all contracts enabling the Group to terminate any contract in which bribery or corruption has been observed.

The Group strives to build and strengthen its relationships with Business Associates. In ensuring that the Business Associates adhere to industry best practice and accepted standards of behavior, Business Associates may be required to complete the **Declaration Form**, where deemed necessary based on circumstantial requirements. At some instances, the Group may also engage with online vendors/ service providers such as for the purchase of air flight tickets, travel insurance & etc. Such vendors are excluded from the requirement to sign the declaration form. Nevertheless, the employee is still required to ensure reasonable due care is exercised to protect the Group's interest at all times.

Recruitment of Employees

The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of bribery and corruption is involved in the hiring of employees.

In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision making obligations.

Training and Communication

Training on this policy forms part of the induction documentation for all new employee. All existing employee will be provided with details of the policy and will receive relevant training on how to implement and adhere to this policy as necessary.

AYS Group's zero-tolerance approach to bribery and corruption must be communicated to both internal and external parties, especially to all business associates, at the outset of any business relationship with them and as appropriate thereafter.

This Policy is made accessible to both internal and external parties on the Group's website at www.ays-group.com. Any amendments to this Policy shall be communicated accordingly.

Reporting of Policy Violations

Employees who encounter actual or suspected violations of this Policy are required to report their concerns. Each employee has a responsibility to ensure that suspected bribery and corruption incidents are reported promptly. The Group practices an open-door policy and encourages all employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner. Stakeholders and any parties with a business relationship with the Group are also encouraged to report actual or suspected violations of this Policy through the reporting channel.

The **Whistleblowing Policy** sets out secured whistleblowing channels below :-

- a. Whistleblowing Form at: www.ays-group.com
- b. Emails to Chairman of the Audit Committee: fazlin.mohamad@ays-group.com

- c. Letters to Audit Committee at: **AYS Ventures Berhad**

Lot 6488, Jalan Haji Abdul Manan,
42100 Klang,
Selangor Darul Ehsan.

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.

Managing and Improving Anti-Corruption Framework

The Group is committed to continually improving its policies and procedures relating to anti bribery and anti-corruption. Systematic review shall be performed by the Corporate Department as part of providing assurance that the internal control systems and procedures are effective in countering corruption and bribery.

A qualified and independent review may be considered, based on circumstantial requirement, to ensure that the AYS Group's business operation is complying with the authority/regulatory requirements on anti-bribery and corruption.

Review of the Policy

The Board will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.