

## **1. INTRODUCTION**

Systech Bhd (“Systech”) and its subsidiaries (“the Group”) are committed to conducting its business dealings in an honest and ethical manner. The Group requires all employees (including full time, probationary, contract and temporary staff and directors) (“Employees”) to be committed to acting professionally and with integrity in their business dealings.

The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. This Anti-Bribery and Corruption Policy (“Policy”) sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

This Policy is not intended to be a comprehensive description of all factors that may impact the quality of the Employees’ personal behaviour, but it should be used as an ethical framework in which they operate in. This Policy is supplemental to and shall be read in conjunction with the Code of Conduct and Code of Ethics of Systech.

## **2. DEFINITIONS**

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.

As the Group operates in the ASEAN region and is therefore subject to different legal and regulatory requirements in respect of bribery and corruption. However, as Malaysia is the home jurisdiction of the Group’s parent company, the laws of Malaysia sets the minimum standards which must be complied across its business and operations within the Group.

As set out under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, a commercial organisation commits an offence if a person associated with the commercial organisation corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent:-

- (a) to obtain or retain business for the commercial organisation; or
- (b) to obtain or retain an advantage in the conduct of business for the commercial organisation.

## **3. OBJECTIVE**

The objective of this Policy is to provide information and guidance to the Employees concerning how to recognize and deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

## **4. APPLICATION**

This Policy is intended to apply to every Employee of the Group. Although this Policy is specifically written for the Employees, the Group expects that third-party affiliates which include but not limited to current or prospective customers, business partners, contractors, suppliers, consultants, agents, associates or any other business partner, representatives and others performing work or services for or on behalf of the Group (“Third Parties”) will comply with it in relevant part when performing such works or services.

The Group will make this Policy known to Third Parties through written statements and our website. We expect these Third Parties performing work or services for or on behalf of the Group to comply with this Policy when performing such work or services.

## **5. GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION**

### **5.1 HOSPITALITY, GIFTS AND ENTERTAINMENT**

The Group recognises that the provision of modest entertainment and corporate hospitality is a legitimate way of building business relationships and is a common practice within the business environment to foster good business relationship with stakeholders or clients. This Policy does not prohibit giving or receiving normal hospitality, gifts and entertainment, so long as it is reasonable, proportionate and legitimate.

The hospitality, gifts and entertainment must be:

- 5.1.1 Reasonable in value
- 5.1.2 Infrequent in nature
- 5.1.3 Transparent and open
- 5.1.4 Not given to influence or obtain an unfair advantage
- 5.1.5 Respectful and customary

Employees must therefore exercise due care and judgement when offering or accepting gifts, hospitality or modest entertainment to protect the reputation of the Group against allegations of impropriety and to ensure bribery or anti-corruption laws are not breached. Employees should always be mindful and considerate of the intention behind the hospitality, gifts and entertainment. In all cases, Employees must declare to the Head of Department (“HOD”), C-Level Executives, Group Chief Operating Officer (“GCOO”) or Group Chief Executive Officer (“GCEO”) (collectively “Management”) the receipt of any hospitality, gifts or entertainment provided.

### **5.2 FACILITATION PAYMENTS**

Facilitation payments are inducements or incentives given to secure or expedite a routine function that an individual is obliged to perform.

Employees shall not offer, promise, give, request or accept anything, which might be regarded as a facilitation payment. However, there may be circumstances in which Employees are left with no alternative but to make payment in order to protect themselves against injury, loss of life or liberty. If these payments are made, they should be reported immediately or at the earliest opportunity to the Management.

In any circumstances, if Employees were offered facilitation payments, it must also be reported immediately or at the earliest opportunity to the Management.

### **5.3 RECRUITMENT, PROMOTION AND SUPPORT OF EMPLOYEES**

The Group’s recruitment, training, performance evaluation, remuneration, recognition and promotion for all employees, including the management, are designed and regularly updated to recognize integrity.

The Group does not offer employment to prospective employee who might have improperly favoured the Group in a previous role.

### **5.4 CORPORATE SOCIAL RESPONSIBILITIES, SPONSORSHIPS AND DONATIONS**

Corporate social responsibilities, sponsorships and donations are acceptable, whether of in-kind services, knowledge, time, or direct financial contributions. However, they must not be a disguise of bribery or conduit to fund illegal activities, which are in violation to the Group’s policies and procedures, and the applicable laws and regulations.

The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain that the benefits reach their intended recipients whilst the programs meet the intended objectives.

All corporate social responsibilities, sponsorships and donations should be reviewed and approved by the Management.

## **6. DUE DILIGENCE**

Business associates that provide goods and services for, and on behalf of, the Group are deemed Third Parties. To mitigate bribery and corruption risks associated with business associates, employee who is responsible for the relationship with the business associates must ensure that appropriate due diligence has been carried out at the initial stages, before goods and services are provided or renewed and has been adequately documented.

The extent of due diligence conducted should be based on a bribery and corruption risk assessment. Due diligence may include a search through databases, checking for relationships with public officials, self-declaration and documenting the reasons for choosing one particular business associate over another.

The Group will include standard terms in all contracts with business associates which enables the Group to terminate the contract in the event of the occurrence of or attempted bribery or corruption.

## **7. RECORD KEEPING AND DOCUMENTATIONS**

Proper and complete records for all payments made to third parties are to be maintained in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corruption and/or unethical conduct.

Employees must also ensure that all expenses claims related to hospitality, gifts or expenses incurred to third parties are approved by the Management.

## **8. TRAINING AND COMMUNICATION**

Employees in roles exposed to bribery and corruption will receive regular, relevant training on how to implement and adhere to this Policy. The Human Resources Department shall maintain records of training attendance and schedules.

The Group's stand on bribery and corruption must be communicated to all customers, suppliers, contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group.

## **9. RESPONSIBILITIES OF THE EMPLOYEES**

All Employees are required to:

- Be familiar with applicable requirements and directives of this Policy;
- Promptly and accurately record all transactions and payments in the Group's records;
- Be alert to indications or evidence of possible violations of this Policy;
- Promptly report violations or suspected violations through appropriate channels; and
- Attend required anti-bribery and corruption training as required according to their position.

When dealing with business associates, all Employees shall not:

- Express unexplained or unjustifiable preference for certain parties;
- Make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
- Exert influence to obtain benefits; and
- Directly or indirectly offer or make promises or corrupt payments, in cash or in kind or specific favour.

The respective C-level Executives of each subsidiary/associated company have the responsibility to ensure that this Policy requirements are applied and complied with in their respective companies' policies and to also monitor compliance with this Policy.

Employees shall confirm in writing that they have read, understood and will abide with this Policy. A copy of the declaration shall be documented and retained by the Human Resources Department for the duration of the Employees' employment. A sample of the declaration can be found in Appendix 1 of this Policy.

Conflict of interest arise in situations when personal interest interferes with the objectivity of performing duties or exercising judgement on behalf of the Group. Employees must not use their position, official working hours, resources and assets, or information available to them for their personal gain or to the Group's disadvantage.

## **10. COMPLIANCE TO THE LAWS**

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Employees are expected to understand and comply with the Malaysian Anti-Corruption Commission Act 2009 (including any amendment thereof). The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

The Group will maintain an anti-bribery and corruption compliance function within the Human Resources Department to oversee the design, implementation and management of this Policy.

Employees who, in the course of their work related activities, encounter actual or suspected violations of this Policy, are required to report their concerns using the reporting channels stated in the Whistleblowing Policy and Procedure which are established to receive information on this Policy's violation and other matters regarding integrity.

Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner without incurring fear of penalty regardless of the outcome of any investigation. Retaliation of any form against the Employee, whereby the person, in good faith, reported a violation or possible violation of this policy, is strictly prohibited.

Any Employee found to have deliberately acted against the interests of a person who, in good faith, reported a violation or possible violation of this Policy shall be subject to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which the Group may pursue.

## **11. MONITORING AND REVIEW**

The Board of Directors of Systech will monitor compliance with this Policy and review this Policy regularly to ensure that it continues to remain relevant and appropriate.

The Human Resources Department shall ensure that all Employees are equipped to act effectively against bribery and corruption by providing advice and guidance to Employees on this Policy and any related issues. The Human Resource Department shall also take appropriate steps to ensure that adequate monitoring, measurement, analysis and evaluation of this Policy is performed, as well as, report on the performance of this Policy to the top management and the Audit and Risk Management Committee regularly. Failure by an Employee to comply with this Policy may lead to disciplinary proceedings up to, and including termination of employment, and where applicable criminal proceedings by the relevant authorities.

Regular audits shall be conducted to ensure compliance to this policy. Such audits may be conducted internally by the Group. Audit documentation should include performance improvement action plans.

**SYSTECH BHD (Company No.: 897114-T)**  
**ANTI-BRIBERY AND CORRUPTION POLICY (2020)**

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Non-compliance as identified by an audit exercise and any risk areas identified through this and other means should be reported to the Management and the Audit and Risk Management Committee in a timely manner in accordance with the level of risk identified. Penalties, including contract termination, may be imposed on external parties. The Group may also take further legal action against any individual or organisation if its interests have been harmed due to their non-compliance.

This Policy was adopted by the Board in May 2020.

**END**

**Appendix 1**

**Declaration Form**

I, \_\_\_\_\_, (NRIC No: \_\_\_\_\_) hereby declare that I have read and understood Systech Bhd's Anti-Bribery and Corruption Policy and shall abide by the requirements and provisions set out in the said Policy throughout the duration of my employment/dealings with Systech Bhd and its group of companies and as required by my employment contract/contract.

\_\_\_\_\_  
Name:  
Date: