



**INDUSTRONICS BERHAD**

**(Co. No.197501001969 [23699-X])**

# **Anti-Bribery&Corruption Policy**

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### **Abbreviations**

BOD	- Board of Directors
FP	- Facilitation Payments
IB Group / Group	- IB and its Subsidiary Companies
IB	- IndustronicsBerhad
WBP	- Whistleblowing Policy

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## **1. Introduction**

This Anti-Bribery & Corruption (ABC) Policy is to prevent the occurrence of bribery and corruption practice in relation to the businesses of the IB Group. IB Group conducts its business in a legal and ethical manner and ensures that its employees understand their responsibilities in compliance with the IB Group's zero tolerance on anti-bribery and corruption within the organization.

### **Definition**

Corruption is defined as abuse of position for personal gain or misuse of position to help others to improperly enrich themselves.

Bribery is the most common form of corruption and it can be broadly described as offering, promising, giving, accepting or soliciting of an advantage as an inducement of any action which is illegal or a breach of trust in order to gain personal or other advantage. It can be in the form of cash and other forms including non-cash gifts, lavish entertainment or hospitality, loans, fees or other reward or benefit.

## **2. Objectives**

This policy is set to provide information and guidance to the BOD and employees on the overall position of bribery and corruption that might happen on daily operations. For all intents and purposes, the BOD and employees shall ensure compliance with all applicable laws in performing their duties.

This policy is applicable to all BOD, Management and employees (either permanent, contract or temporary) of IB Group. This policy needs to be read and understood clearly by all parties. Disciplinary action will be taken including termination of employment for violation of the policy.

The IB Group requires all employees including permanent, probationary, contract and temporary staff and Directors of the IB Group to be committed to act professionally with integrity in their business dealings.

## **3. Compliance with the Law**

All employees of the IB Group are responsible in ensuring that they always comply with all laws and regulations, in particular, to the Malaysian Anti-Corruption Commission Act 2009. No excuses or exceptions will be acceptable for non-compliance of any domiciled laws public and regulations where the IB Group conducts its businesses.

## **4. Public Officials & Government Dealings**

The IB Group recognises that the practice of giving and receiving gifts varies between countries, regions, cultures and religions, so the definitions of what is acceptable and not acceptable will inevitably differ for each. When dealing with public officials, employees of the IB Group should ensure that any giving or receiving of gifts do not relate to, in any form whatsoever, the official's public dealings or public duty. At all material times, employees of the IB Group are to ensure compliance with laws of their respective jurisdictions, and the higher standard will be applicable to all employees to avoid non-compliance of any laws on anti-bribery which may be applicable to the IB Group as a whole.

Any hospitality of public officials, subject to the approval of a director is for circumstances where it is to reasonably facilitate genuine promotional, business or educational meetings. Any hospitality provided must be without expectation of any influence exerted on the public official in exchange for any commercial outcome and should always be at a reasonable and modest value.

## **5. Tender Process**

Any tender processes participated by any company under the IB Group should be done in a transparent bidding process.



## **6. Third Parties and Agencies**

The IB Group requires that all employees conduct the requisite due diligence of third parties that the Group contracts with or hires to carry out any external functions on behalf of the IB Group, which includes without limitation to agents, consultants, contractors, subcontractors, resellers, customs brokers, business contacts, professional advisors, joint venture partners and any other parties supplying goods and services to the IB Group (collectively referred to as **"Other Applicable Person(s)"**).

Where reimbursements are paid to Other Applicable Persons, employees of the IB Group are to ensure that such payments made are for proper reimbursements and not for reimbursements that can be tied to giving any form of gratification for improper purposes.

The IB Group expects all Other Applicable Persons to have anti-bribery and corruption policies in place within their organization or part of their work ethos which are consistent with this ABC Policy.

The IB Group has zero tolerance on Other Applicable Persons who do not conduct themselves in accordance to the principles of the ABC Policy where it brings disrepute or legal implications to the IB Group. Any non-compliance with the principles of the ABC Policy by Other Applicable Persons may lead to the review and/or termination of any agreement with such parties.

## **7. Anti-Bribery and Corruption**

### **7.1. Gifts, Hospitality and Entertainment**

Gifts and entertainment given and received as a reward, inducement or encouragement for preferential treatment or any other advantage, or inappropriate or dishonest conduct are strictly prohibited. Particularly, no gifts, hospitality or entertainment may be given or accepted during a crucial process such as contractual negotiations or tender processes if there is any realistic risks that giving and acceptance of such articles could very well manipulate and influence the outcome of such processes and negotiations.

Gifts or entertainments may only be presented to a third party only in the situation that it is consistent with the customary business practice, and that the gifts or entertainment are humble in value and cannot be interpreted as inducements to trade. Guidance from the Management must be sought if there is any doubt regarding this issue.

### **7.2. Facilitation Payments ("FP")**

Usually referred to small bribe payments (usually paid to low-level officials) made directly or indirectly to secure or speed up performance of a routine or to avoid bureaucratic delays and red tapes that may slow down certain business dealings.

In any case, employees must never pay, offer, solicit or receive bribes of any forms including facilitation payments, employee immediately notify immediate superior for consultation. For any such cases, the documents need to be shown to the immediate superior and to be kept as proper record.

### **7.3. Donations**

Donations 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.



## **8. Record for Safekeeping**

All record should be in proper filing to be maintained with accuracy and completeness for all payments made to third parties in the ordinary course of business which is prove as evidence that such payments are not linked to corrupt and/or unethical practices.

Employees must declare all gifts, hospitality or entertainment to respective Head of Department (“HOD”) for recording into a register which is subject to internal audit review. All expenses claims from Employees incurred to third parties should be approved by the HOD and specifically to record the reason for such expenses.

## **9. Reporting for Violations of Policy & Whistleblower Rights**

Employees should report any cases of wrongdoing or a violation of the Policy as propagated under the WhistleBlowing Policy (WBP). Employees are to produce genuine report(s) on the violations or suspected violations so as not to discriminate against loss of any sort or manner of retaliation. Report(s) shall be treated confidentially.

Any concerns, questions or reports should be addressed to firstly, their immediate supervisor or HOD, or where that is not possible, to other divisions such as the Human Resource Department and General Manager.

Any reports made for violation of the ABC Policy will be treated very seriously and accordingly, employees are responsible to ensure that: -

- They exercise sound judgment that it is a genuine threat and violation of the ABC Policy;
- They have evidence to support their allegations of any violations of the ABC Policy;
- They are available to provide evidence in any inquiry of such violations; and
- They are not frivolous reports with the motive to scandalise.

The IB Group ensures that there will be no retaliation or repercussions on the employee for making genuine reports on violation of the ABC Policy. Any genuine reports made will be kept strictly confidential and only informed to persons on a need-to-know basis to safeguard the interests of the IB Group and also to ensure that any processes undertaken will not be compromised.

## **10. Review Of The Policy**

The BOD will monitor compliance with the Policy and review the Policy at least once every 3 years to assess their effectiveness and ensure that it continues to remain relevant and appropriate.

The BOD reserves the total rights to all amendments, deletions or augment any terms and conditions or any part of this policy when necessary including the use of an additional form, should there be a need to develop one.

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