

Policy name	Group Policy on Anti-corruption
Applicability	Directors, employees, business partners, contractors and agents (including their family members or representatives) of the Pertama Digital Berhad group of companies (“Group”)
Approval date	Approved by the Pertama Digital Berhad board on 21 October 2020
Effective date	From approval date
Last edit date	12 October 2020

A) What is the purpose of this policy?

- Clarifies the meaning of ‘corruption’ as used in this policy.
- States the stand of the Group against corruption.
- Sets out how directors, employees, business partners, contractors and agents of the Group are expected to avoid corrupt practice or situations which could give rise to a perception of corrupt practice.

B) What is corruption?

“... the abuse of entrusted power for private gain.”

~ Transparency International

(<https://www.transparency.org/en/what-is-corruption#>)

“... giving or offering a reward to a person in order to [illegitimately] influence his conduct.”

~ Malaysian Anti-corruption Commission

(<https://www.sprm.gov.my/index.php/en/program-sprm-dengan-masyarakat-peringkat-sekolah/203-faq-ace/1247-frequently-asked-question-on-corruption?templateStyle=21#:~:text=There%20is%20no%20specific%20definition,order%20to%20influence%20his%20conduct>)

C) What is the legal prohibition?



Under the Act, “gratification” includes any sort of advantage, not necessarily in cash; e.g. discount, donation, employment, facilitation payment, fee, gift/prize, honorary award, job position, jumping queue, kickback, loan, preferential treatment, property, protection, rebate, release from debt/liability/obligation/penalty, service or vote.

D) What is the stand of the Group?

The Group does not tolerate any corrupt practice – or situations which could give rise to a perception of corrupt practice - among its directors, employees, business partners, contractors and agents. Similar prohibition applies to family members or representatives of all these persons.

The Group requires all to act with integrity and comply with anti-corruption laws as well as higher standard of ethics.

In line with that general stand, the Group's stand on specific circumstances is as follows:

1. Gift or Hospitality

What is the general rule?

The Group enforces a No Gift Policy with exceptions described below.

Directors and employees of the Group shall not offer or give any gift or hospitality (including meals and entertainment) to, or request or accept any gift or hospitality from, external parties such as potential and existing business partners, contractors, agents, clients and public officials.

Directors and employees of the Group must politely decline any gift or hospitality offered by such external parties.

What are the exceptions?

However, the Group recognises that there are circumstances where giving or receiving (but never requesting) gifts or hospitality is a legitimate way to network and maintain goodwill in business relationships, such as:

- a) Food hampers during festive season.
- b) Gifts or hospitality as an official part of an event or meeting (e.g. door gifts at corporate open houses; stationery and sponsored items at conferences; tokens of appreciation at launch ceremonies; meals or golf game sponsored by the host; etc.).
- c) Perishables, such as flower bouquets or fruit baskets.
- d) Items with the Group brands given as souvenirs or tokens of appreciation to shareholders, business partners, contractors, agents and clients of the Group.

Under the exceptions, directors or employees of the Group may, in their official capacities, offer or give any gifts or hospitality to external parties only with prior written approval by the board of directors or the Chief Executive Officer of the relevant Group company. Where the Chief Executive Officer is the one intending to offer or give such gifts or hospitality, in his/her official capacity, he/she must obtain the prior written approval of the relevant Executive Director.

In any case, the gifts given or received must be of modest value and without any appearance of corrupt intention. If any employee of the Group has been offered or given gifts or hospitality other than as listed in the exceptions above, he/she must declare it by e-mail to the Chief Executive Officer of the relevant Group company (or, if the Chief Executive Officer is the recipient, then he/she must declare it by e-mail to the board of directors of the relevant Group company).

2. Facilitation Payment

A facilitation payment is one that is made to expedite the performance of a routine administrative duty/function (not to obtain new business or undue advantage), where such payment is not required by law; e.g. gifts to encourage a public official to speed up issuance of a licence where the Group company is already entitled to that licence anyway.

The Group does not condone the offer, giving, request or acceptance of facilitation payments.

3. Charitable Contribution

Directors or employees of the Group shall not, in their official capacities, offer or give any charitable contribution without prior written approval by the board of directors or the Chief Executive Officer of the relevant Group company. Where the Chief Executive Officer is the one intending to offer or give such charitable contribution in his/her official capacity, he/she must obtain the prior written approval of the relevant Executive Director.

Such charitable contributions, where approved, must be to any of the following only:

- a) government accounts.
- b) accounts of a charity appeal publicised through national mass media.
- c) charity organisations registered in accordance with the law.

In any case, the Group prefers charitable contributions in kind rather than in cash.

Directors and employees of the Group must exercise all due diligence to make sure that none of the charitable or corporate social responsibility programmes in which any Group company is involved, could be used to facilitate corruption or be seen to have a political nature.

4. Political Contribution

The Group supports the legitimate government of the day. Directors and employees of the Group shall not, in their official capacities, promise or make any political contributions to political parties, political party officers or candidates for political office.

5. Conflict of Interests

In this context, a conflict of interests occurs when a director or employee of the Group:

- a) can exploit that position for his/her personal interest (including of family members) to the detriment of the Group's business interest; or
- b) has personal interest that will affect his/her impartiality in making decisions in the Group's business interest.

A director or Chief Executive Officer must disclose the conflict of interests to the board of directors of the relevant Group company whereas any other employee must disclose the conflict of interests by e-mail to the Chief Executive Officer of the relevant Group company. These persons in conflict of interests shall excuse themselves from participating in any deliberation, or making any decision, on the matter where the conflict of interests exists.

E) How is this policy publicised?

This policy is shared with all directors and employees of the Group. Briefings are conducted at least once in a calendar year and additionally whenever required. When necessary, the relevant employee must inform external parties with whom he/she is dealing, about this policy.

Any query on this policy may be directed to the Director, Group Corporate Services.

F) How is this policy enforced?

Directors, employees, business partners, contractors and agents of the Group have the **obligation to report any violation of this policy in writing** to the Chief Executive Officer of Pertama Digital Berhad. If the violation involves that Chief Executive Officer, the written report may be channelled to the board of directors instead.

Such reports can be anonymous but must include as much detail as possible to enable investigation and action. Genuine whistleblowers will be protected from exposure and retaliation in accordance with the Group Policy on Whistleblowing.

Violations of this policy by any director or employee of the Group or any external party with which they deal, will be reported to the authorities. Directors or employees of the Group will be subjected to disciplinary action including dismissal whereas external parties may be black-listed from future transactions with the Group and have their contracts with the Group terminated.

G) How is this policy reviewed?

This policy will be reviewed from time to time (at least every 3 years) to ensure its effectiveness in light of the contemporary situation. This policy may be updated from time to time by approval of the Chief Executive Officer of Pertama Digital Berhad, and applicable to the Group.

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