

# GENETEC TECHNOLOGY BERHAD

Registration no.: 199701030038 (445537-W)

## ANTI-BRIBERY AND CORRUPTION POLICY

### 1. Introduction

Genetec Technology Berhad (“**Genetec**” or “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is committed to conducting its business legally and ethically. The Group will take reasonable and appropriate measures to ensure that its businesses do not involve in bribery and corruption activities.

This Anti-Bribery and Corruption Policy (hereinafter referred to as the “**Policy**”) set out the parameter of Genetec in observing and upholding Genetec’s position on bribery and corruption, and elaborate upon those principles, guiding the employees concerning how to deal with inappropriate solicitation, bribery and other corrupt activities and issues that may occur in the course of business.

### 2. Policy Statement

Genetec is committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever it operates and implementing and fortifying effective systems to counter corruption and bribery.

The Directors and management of Genetec lead by example, ensuring all employees and relevant third parties are aware of the ethical significance and critical role of the Policy principles and standards.

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.

Genetec will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws in Malaysia in respect of our conduct both at home and abroad. In the event there is any inconsistent terms in this Policy and the applicable laws in Malaysia, the laws shall prevail.

### 3. Applicability

This Policy applies to all companies within the Group and its business dealings with all entities within the private as well as public sectors. This includes all employees at all levels and grades, including full-time, probationary, seconded, contract or temporary staffs (“**Employees**”), Directors of the Group, including all independent and non-independent directors, executive and non-executive directors as well as alternate or substitute directors, if any (“**Directors**”), other representatives in connection to the Group, such as consultants, advisors, representatives, trainees, interns, subcontractors, agents, suppliers, customers and others performing works or services for and on behalf of Genetec, including all Agents and other Intermediaries (“**other Representatives**”).

The Policy is not intended to be exhaustive, and there may be additional obligations that Directors, Employees and other Representatives are expected to adhere to or comply with when performing their duties. For all intents and purposes, the Directors, Employees and other Representatives 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.

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**4. Definition**

“Corruption” is defined as the abuse of office or position for personal gain or the misuse of position to help others in improperly enriching themselves or getting power.

“Bribery” is commonly described as an intentional inducement or reward offered, promised or provided in order to gain any commercial, contractual regulatory or personal advantage.

“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 (Amendment Act 2018) (“**MACC Act**”). This includes offering, promising, giving, accepting 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.

“Gratification” is defined in the MACC Act 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).

Both bribery and corruption are punishable offences under the MACC Act. There are four (4) main offences prescribed by the MACC Act:

- (1) Soliciting/ Receiving Gratification (Bribe) as per section 16 & 17(a);
- (2) Offering/ Giving Gratification (Bribe) as per section 17(b) & 17A;
- (3) Intending to Deceive (False Claim) as per section 18; and
- (4) Using Office or Position for Gratification (Bribe) as per section 23.

Failure to report on the above could lead to regulatory reprimand and fine as prescribed under the MACC Act.

**5. Guidance on Common Forms of Bribery and Corruption**

**5.1 Gifts and Hospitality**

Reasonable gifts and entertainments offered openly in the ordinary course of business to promote good relations and mark special occasions are not bribes. However, an expensive gift or the other of lavish entertainment may be perceived as a bribe under local law and all can be used as bribes if made with the deliberate intention of improperly gaining business advantage and perhaps preparing the way for more extensive bribery.

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Gifts should normally be offered only on customary business and cultural occasions and shall never include cash or cash value (e.g. vouchers, coupons, shares, commissions, etc.). Giving or accepting non-monetary gifts such as a fruit basket, flower or desk ornament is allowed if it is reasonable in value and could not be seen as an attempt to influence or obtain an unfair advantage.

Directors, Employees and other Representatives, including their family members shall never seek or request gifts or personal preferential treatment in any matter, from any person or company.

In the event any third parties insist to provide the gifts in the form of cash or cash equivalent to the Directors, Employees and other Representatives, including their family members, disclosure and report must be made to the relevant key personnel of the Company. For example, if the recipient is an Employee of the Company, the Employee is required to report to his/her immediate superior.

If the key personnel does not approve the acceptance of such gifts, the gifts must be returned to the third parties in a polite manner with detailed explanation on this Policy. If the key personnel approves the acceptance of such gifts, it shall determine treatment of such gift as it deems fit and proper. For example, donating to any charitable organizations and permit to be retained by the recipient and etc.

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

Hospitality is the relationship between guest and host, or the act or practises of being hospitable. Genetec recognises that the occasional acceptance of an appropriate level of hospitality and entertainment given in the normal course of business is usually a legitimate contribution to building good business relationships.

Examples of entertainments could include golf, karaoke, spa, orchestra, theatre, concerts, dining, open-house, event tickets or invitation for events, additional discounts given on items bought from customer's companies, etc.

Directors, Employees and other Representatives are allowed to provide and accept the gifts and entertainment irrespective of whether monetary value is involved if the nature of such gifts falls within the exceptions as set out by the Company from time to time. For example, such gifts and entertainment are provided to external entities who have no business dealings with the Group as well as where the gifts and entertainment are exchanged at company-to-company level as a gesture of courtesy and etc.

Notwithstanding the foregoing, proper care and judgment must be exercised before providing or accepting the entertainment offered or provided to/by any third parties. In no event the Directors, Employees or other Representatives, including their family members shall provide or accept such entertainment in exchange of the exercise of their authority in the Group or the third party's authority in its company or for some other benefits.

### **5.2 Facilitation Payments and Kickbacks**

Facilitation payments are unofficial and improper payments or other advantages made to secure or expedite the performance of a routine or administrative duty or function to which the payer is entitled, legally or otherwise.

Kickbacks are illicit payment made or due as a reward in return for awarding or furthering the business.

Genetec does not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment or kickbacks of any kind.

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However, there could arise circumstances in which the Directors, Employees or other Representatives have no alternative but to make a facilitation payment in order to protect themselves from injury, loss of life or liberty. If any request for facilitation payment under such circumstances is made, they should be reported to the Managing Director immediately.

In the event the Employees are unsure about the nature of certain payments that have been made, they shall consult their immediate superiors or relevant key personnel of the Company for further instructions in order to avoid any conflict of interests.

### **5.3 Charitable Contribution**

Donations or contributions made by Genetec to community projects or charities, if any, need to be made in good faith, whether of in-kind services, knowledge, time or direct financial contributions. All donations or contributions must be carefully examined for legitimacy and not be made to improperly influence a business outcome.

### **5.4 Political Contribution**

As a matter of general policy, Genetec does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office. Whilst Employees may choose to make personal political contributions as appropriate within the limits established by the law. Such contributions must not be made with any promise of favourable treatment in return. The Company shall not be responsible to compensate or reimburse the Employees for such contributions. All Employees are not allowed to use their positions in the Group and corporate resources including funds, services, properties, facilities or employee work time for political activities.

### **5.5 Agent and other Intermediaries**

Agents and other intermediaries are described as individuals or companies who have a close relationship with the Company such as suppliers, business partners, advisors, consultants, representatives etc (“**Agents and other Intermediaries**”). All Agents and other Intermediaries should be made aware of this Policy and arrangements with them should be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

### **5.6 Procurement Process**

Genetec had processes and adheres to the system of internal controls around supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. Supplier selection is a formal, structured invitation for the supply of goods and services, it is most important we maintain documentation supporting our internal control.

Due diligence of new suppliers in supplier selection should include elements of corruption including bribery.

### **5.7 Record-keeping**

Genetec keeps proper financial records of all payments made to third parties in the ordinary course of business and has appropriate internal controls in place which will evidence that business reason for making payments to third parties.

Ensure all expenses claims relating to hospitality, gifts or entertainment incurred to third parties are submitted following Genetec reimbursement policy.

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All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

**6. Control Measures**

**6.1 Records and documentation**

Genetec requires that all business transactions and financial flows be properly recorded, classified and documented for a specific period to comply with the local law as well as Company’s policy, including those concerning the Company’s provision of gifts, hospitality, travel, entertainment and charitable contributions.

All the financial books and records accurately reflect and disclose the business rationale, purpose, substance and legality of all our local and cross-border transactions, payments and expenses.

**6.2 Due Diligence**

Depending upon the degree of risk, as determined by risk assessments, anti-corruption due diligence reviews may be needed for the recruitment of Employees, procurement process and vetting of Agents and other Intermediaries, and should also be performed where as part of an acquisition process and establishment of a joint venture. As part of the due diligence reviews, proper and extensive background checks shall be conducted to ascertain whether the said individuals or entities have been involved or convicted in any bribery or corruption previously.

If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or “red flags” being raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress. Examples of common “red flags” involving third parties include:

- (i) The transaction involves countries with a high propensity for corruption.
- (ii) Family, business or other “special” ties with government or public officials.
- (iii) A reference check reveals a flawed background or reputation of the third parties.
- (iv) Objection to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements.
- (v) Convoluted payment arrangements such as payment in cash, payment to a third party or requests for upfront payment for expenses or other fees.
- (vi) The third party requires that his/ her identity not to be disclosed as part of the business transaction.
- (vii) Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.

The above list shall be non-exhaustive, any matter or transaction which would give rise to reasonable suspicion that the third party is potentially involved in bribery and corruption shall tantamount to a “red flag” situation.

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On the other hand, if the due diligence reviews produce a positive result where no “red flags” or history of bribery and corruption is identified, the engagement of the third party may be continued. Such third parties shall be caused to adopt all the provisions herein contained or an adequate anti-bribery and corruption policy which is similar to contents of this Policy. The said third parties shall also be required to observe and comply with all measures taken by the Group in line with this Policy to prevent any bribery and corruption.

#### **6.3 Effective Internal Control and Monitoring**

Top Management and Head of Department are responsible for monitoring adherence to this Policy and procedures designed to prevent or detect bribery and corruption. Internal control systems and procedures will be subject to regular review by the Risk Management Committee to assure that they are effective in countering corruption and bribery.

#### **6.4 Reporting Channel**

This Policy cannot provide Employees with comprehensive solutions to every potential bribery or corruption situation that may arise. We all have a responsibility for helping detect, prevent and report any instance of bribery and any other suspicious activity or wrongdoing.

Anyone who knows of, or suspects, a violation of the Policy, is encouraged to whistleblow or report the concerns through the mechanism set out under the Group’s Whistleblowing Policy. The provision, protection and procedure of the Whistleblowing Policy for reporting of the violations of the Policy are available on Genetec website and Staff Handbook. No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. Notwithstanding the foregoing, an individual is prohibited from relying on the protection granted under the said Whistleblowing Policy if the individual is involved in any such violations. All reports will be treated confidentially.

#### *Investigation, Remediation, Discipline*

If Genetec determines that an Employee or Agent and other Intermediaries has not complied with any provision of this Policy, it will take appropriate action, which may include ending of an Employee’s employment or an Agent and other Intermediaries’ contract, initiating proper legal action and/or notifying the relevant regulatory authorities regarding the violation upon appropriate investigations to be undertaken in which the said violation is proven beyond reasonable doubt.

#### **6.5 Communication**

Every Employee of the Group should have a general awareness of this Policy. All existing Employees will be asked to formally accept conformance to this Policy on an annual basis.

This Policy forms part of the induction process for all new Employees.

Our approach to bribery and corruption shall be communicated to the Agents and other Intermediaries and as appropriate thereafter.

Our dedicated Genetec website and regular communications ensure the awareness of this Policy and support are available across the Group.

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**7. Compliance to the law**

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors, Employees and other Representatives are expected to understand and comply with the MACC Act (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.

**8. Review of the Policy**

The Board will monitor compliance with the Policy. This Policy shall be reviewed every three (3) years or as and when deemed necessary to ensure that it continues to remain relevant and appropriate.

The Board has approved and adopted the Policy on 22 May 2020.