

I-Berhad 

**ANTI-CORRUPTION
POLICY**

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Policy Statement

I-Berhad adopts a zero tolerance policy against all forms of bribery and corruption. I-Berhad's Code of Conduct sets out I-Berhad's core principles on this matter. This document, namely I-Berhad's Anti-Corruption Policy (hereinafter referred to as "ACP" or "the Policy" will elaborate on these principles, by providing guidance to employees on how to deal with any improper solicitation, bribery and other corrupt activities and issues that may arise in the course of doing business.

Related Documents

This Policy shall be the master document for anti-corruption.

Getting Help

Should any clarification and explanation is required, the employee is to consult their immediate Head of Departments (HODs) of the respective division/department who shall refer the matter to the Internal Audit Department (IAD).

Change Request

For any amendments or changes that need to be made to this document, please forward the recommendations to the IAD.

Document Creation Information

This Policy is created by IAD to be reviewed and endorsed by the Audit Committee (AC) and approved by the Board of Directors of I-Berhad (BOD).

Introduction

This document is issued pursuant to subsection (4) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) ("MACC Act 2009"), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("Amendment Act 2018").

The provision of section 17A under MACC Act 2009 (Amendment Act 2018) establishes the principle of a criminal liability (corporate liability) for the corrupt practices of its employees and/ or any person(s) associated with the organisation in cases where such corrupt practices are carried out for the organisation's benefit or advantage.

1.0 Objectives of the Policy

The principal objectives of this Policy are:

- 1.1 To signify/ indicate the Guidelines on Adequate Procedures as issued/published by Malaysian Institute of Integrity pursuant to subsection (5) of section 17A under the MACC Act 2009 (Amendment Act 2018).
- 1.2 To ensure I-Berhad has proper record on the Guidelines on Adequate Procedures for proper reference and application.

2.0 Coverage of the Policy

- 2.1 This Policy shall apply to all I-Berhad Group staff.
- 2.2 Business partners and third parties can have a direct impact on our business through their behavior and actions. As such, we would like to work with Business partners and third parties who share the same ethical values and commitments as us. It is also expected that customers, contractors, subcontractors, consultants, solicitors, agents, representatives and others performing work or services for or on behalf of I-Berhad Group will comply with the relevant parts of this Policy when performing such work or services.

3.0 Guidance on Common Forms of Bribery and Corruption

3.1 Gifts and Hospitality

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

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

- (a) token gifts offered in business situations or to all participants and attendees for example, work related seminars, conferences, trade and business events;
- (b) gifts presented at work-related conferences, seminars and/or business events;
- (c) gifts given in gratitude for hosting business events, conferences and/or seminars;
- (d) refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
- (e) meals for business purposes.

As a general principle, the Directors and Employees should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits. In addition, lavish or unreasonable gifts or hospitality should not be accepted as such gifts or hospitality may be perceived or interpreted as attempts by the Directors or Employees to obtain or receive favourable business treatment for personal benefits, which might be considered a bribe under international legislation, either in Malaysia or any other country.

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

3.2 Facilitation Payments to Officer of Public Body^{N1}

Facilitation payments are unofficial payments or other advantages made to secure or expedite the performance of a routine action by an officer of public body. Directors or Employees shall not promise or offer, or agree to give or offer, facilitation payments to an officer of any public body.

N1: Public Body as defined in Section 3 of Malaysian Anti-Corruption Commission Act 2009

3.3 Third Parties and Agencies

All third parties, including agents, suppliers, joint venture and business partners 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.

3.4 Charitable Contribution

Charitable support and donations are acceptable, whether services in-kind, time, or direct financial contributions. However, Directors and Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the CEO or Board. The records of all charitable contributions shall be kept by the Group or Corporate Communications Department.

4.0 Compliance with Laws and Regulations

This Policy shall at all times comply with and be subject to the laws and regulations of Malaysia. In the unlikely event of any conflict or inconsistency between the provisions of ACP and the laws and regulations of Malaysia, the latter shall prevail.

The staff are required to report any suspicions on breaches of the Policy in accordance with I-Berhad's Whistleblowing Policy & Procedures. I-Berhad shall make a report to the relevant enforcement authority upon actual conviction by the staff i.e. breach of regulation or statutory law following the investigation and final decision made by the Whistleblowing Committee.

5.0 Infringement of the Policy

Any infringement of this Policy shall constitute a serious misconduct or offence warranting disciplinary action against the offender.

6.0 Responsibility for the Policy

IAD shall be the custodian of the Policy and shall be responsible for developing, recommending, communicating and reviewing the Policy.

7.0 Changes to the Policy

7.1 Any changes to the Policy shall be approved by the Board unless the power to approve is delegated to the AC or CEO.

7.2 IAD shall review the recommendation for changes before submitting to the AC for endorsement and to the BOD for approval.

8.0 Validity and Review of the Policy

8.1 The effective date of this Policy shall be immediately upon approval by the BOD.

8.2 This Policy shall be reviewed every three (3) years or as and when deemed necessary by the BOD, AC or Management of I-Berhad.

The Five Core Principles of Integrity

1.0 Principle I – Top Level Commitment

1.1 The top level management is primarily responsible for ensuring that I-Berhad:

- (i) practices the highest level of integrity and ethics;
- (ii) complies fully with the applicable laws and regulatory requirements on anti-corruption; and
- (iii) effectively manages the key corruption risks of the Group.

1.2 The top level management must be able to provide assurance to its internal and external stakeholders that I-Berhad is operating in compliance with its policies and any applicable regulatory requirements. This may include establishing the

Company's "tone from the top" (i.e. the Company's general stance against the use of corrupt practices in relation to its business activities) and spearheading the Company's efforts to improve upon the effectiveness of its corruption risks, management framework, internal control system, review and monitoring, and training and communication.

- 1.3 Thus, for this purpose, I-Berhad shall carry out the following:
- (i) establish, maintain, and periodically review the anti-corruption compliance programme which includes clear policies and objectives that adequately address corruption risks;
 - (ii) promote a culture of integrity within the Company;
 - (iii) issue instructions on communicating the Company's policies and commitments on anti-corruption to both internal and external parties;
 - (iv) encourage the use of any reporting (whistleblowing) channel in relation to any suspected and/or real corruption incidents or inadequacies in the anti-corruption compliance programme;
 - (v) ensure that the lines of authority for personnel tasked with responsibility for overseeing the anti-corruption compliance programme are appropriate; and
 - (vi) ensure that the results of any audit, reviews of risk assessment, control measures and performance are reported to all top level management, including the BOD, and acted upon

2.0 Principle II – Risk Assessment

- 2.1 A corruption risk assessment should form the basis of 's anti-corruption efforts. As such, the Internal Auditor shall conduct corruption risk assessments periodically and when there is a change in law or circumstance of the business to identify, analyse, assess and priorities the internal and external corruption risks of the Company. This risk assessment shall be used to establish appropriate processes, systems and controls approved by the top level management to mitigate any specific corruption risks I-Berhad is exposed to.
- 2.2 For this purpose, it is recommended that a comprehensive risk assessment is done every three (3) years, with intermittent assessments conducted when necessary. The assessment may include the following:
- (i) opportunities for corruption and fraud activities resulting from weaknesses in the Company's governance framework and internal systems/procedures;
 - (ii) financial transactions that may disguise corrupt payments;
 - (iii) business activities or sectors that pose a higher corruption risk;
 - (iv) non-compliance of external parties acting on behalf of I-Berhad regarding legal and regulatory requirements related to anti-corruption. Note that, given the wide definition of an associated person, I-Berhad can be liable for the acts of such third parties; and

- (v) relationships with third parties in its supply chain (e.g. agents, vendors, contractors, and suppliers) which are likely to expose I-Berhad Group to corruption.

2.3 The risk assessment for corruption can be done on a stand-alone basis.

3.0 Principle III: Undertake Control Measures

3.1 I-Berhad has put in place the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of I-Berhad in order to address any corruption risks arising from weaknesses in the Company's governance framework, processes and procedures. These include the following items:

(i) Due diligence

I-Berhad has established key considerations or criteria for conducting due diligence on any relevant parties or personnel (such as employees, agents, vendors, contractors, suppliers and consultants etc.) prior to entering into any formal relationships. Methods may include background checks on the person or entity, a document verification process, or conducting interviews with the person to be appointed to a key role where corruption risk has been identified.

(ii) Reporting channel

I-Berhad has:

- (a) established an accessible and confidential trusted reporting channel (whistleblowing channel), which may be used anonymously, for internal and external parties to raise concerns in relation to real or suspected corruption incidents or inadequacies of the anti-corruption programme;
- (b) encouraged persons to report, in good faith, any suspected, attempted or actual corruption incidents;
- (c) established a secure information management system to ensure the confidentiality of the whistleblower's identity and the information reported; and
- (d) prohibit retaliation against those making reports in good faith.

3.2 Furthermore, I-Berhad has established policies and procedures to cover the following areas:

- (i) a general anti-corruption policy or statement;
- (ii) gifts, entertainment, hospitality and travel;
- (iii) donations and sponsorships;
- (iv) facilitation payments;
- (v) financial controls, such as separation of duties and approving powers or multiple signatories for transactions;

- (vi) non-financial controls, such as a separation of duties and approving powers or a pre-tendering process;
- (vii) managing and improving upon any inadequacies in the anticorruption monitoring framework; and
- (viii) record keeping for managing documentation related to the adequate procedures.

3.3 In this regard, the I-Berhad's policies shall be:

- (i) endorsed by top level management;
- (ii) kept up-to-date;
- (iii) publicly and/or easily available; and
- (iv) suitable for use where and when needed.

4.0 Principle IV: Systematic Review, Monitoring and Enforcement

4.1 The top level management shall ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced. Such reviews may take the form of an internal audit, or an audit carried out by an external party.

4.2 The reviews should form the basis of any efforts to improve the existing anticorruption controls in place in I-Berhad.

4.3 For this purpose, I-Berhad shall consider the following:

- (i) plan, establish, implement and maintain a monitoring programme, which covers the scope, frequency, and methods for review;
- (ii) identify the competent person(s) and/or establish a compliance function to perform an internal audit, in relation to the I-Berhad's anticorruption measures;
- (iii) conduct continual evaluations and improvements on the I-Berhad's policies and procedures in relation to corruption;
- (iv) monitor the performance of personnel in relation to any anti-corruption policies and procedures to ensure their understanding and compliance with I-Berhad's stance in their respective roles and functions; and
- (v) conduct disciplinary proceedings against personnel found to be non-compliant to the programme.

5.0 Principle V: Communication

5.1 I-Berhad has developed and disseminated communications relevant to its anti-corruption process, in proportion to its operation, covering the following areas:

- (i) policy;
- (ii) reporting channel; and
- (iii) consequences of non-compliance.

Communication of Policies

- 5.2 The I-Berhad's anti-corruption policy shall be made publicly available, and shall also be appropriately communicated to all personnel and business associates.
- 5.3 When planning for strategies for communicating I-Berhad's position on anticorruption, I-Berhad shall take into account what key points should be communicated, to whom they should be communicated, how they will be communicated, and the timeframe for conducting the communication plan. The Company shall also consider what languages the materials will be communicated in.
- 5.4 The communication of I-Berhad's policies may be conducted in a variety of formats and mediums. These may include, but are not limited to:
 - (i) messages on the intranet or website;
 - (ii) emails;
 - (iii) code of conduct and employee's handbooks;
 - (iv) video seminars or messages; and
 - (v) town-hall sessions.