



**ASIA FILE CORPORATION BERHAD
ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

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1. INTRODUCTION & PURPOSE

- 1.1 Asia File Corporation Berhad and its subsidiaries (“Group”) hold a zero-tolerance position against all forms of bribery and corruption. The Group is committed to conducting its business in an honest and ethical manner, in accordance with all applicable laws, rules and regulations. The Group’s Code of Ethics and Conduct sets out our core principles in this regard. This Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as “Policy”) elaborates those principles.
- 1.2 The purpose of this Policy is to provide guidance to employees and any persons associated with the Group in dealing with bribery and corruption related issues that may arise in the course of business. This policy complements and should be read in conjunction with our Code of Ethics and Conduct and our Whistleblowing Policy, copies of which are made available on our corporate website at www.asia-file.com.
- 1.3 This Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. All employees and directors are required to exercise good judgement and common sense and behave in the highest form of integrity in handling business activities. Situations which may result in conflict of interest or be perceived as conflicting interest are to be avoided. Employees are encouraged to consult their respective Head of Department if face with uncertainties on whether the activities fall within the bounds of acceptable business practices.

2. SCOPE

- 2.1 This Policy applies to the following parties:
 - 2.1.1 directors, management, employees or contract staff of the Group (“Employees”); and
 - 2.1.2 vendors, suppliers, contractors, agents, consultants, third party service providers or any other person associated with or acting on behalf of the Group (“Business Partners”).
- 2.2 All employees and business partners engaging with the Group are expected to read, understand and comply with the requirements set in this Policy.

3. DEFINITIONS

- 3.1 “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. In practice, this means offering, giving, receiving 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.

Bribery may be “outbound”, where someone acting on behalf of the Group attempts to influence the actions of an external party, such as a Government official or client decision-maker. It may also be “inbound”, where an external party is attempting to influence someone within the Company to their own advantage.

- 3.2 As defined in the Malaysian Anti-Corruption Commission Act 2009, “gratification” is:
- 3.2.1 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;
 - 3.2.2 any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
 - 3.2.3 any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
 - 3.2.4 any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
 - 3.2.5 any forbearance to demand any money or money’s worth or valuable thing;
 - 3.2.6 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
 - 3.2.7 any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs 3.2.1 to 3.2.6.

4. POLICY STATEMENT

- 4.1 Bribery and corruption in all its forms are prohibited. Employees and business partners must not offer, promise or give a bribe to anyone, and must not request, agree to accept or take a bribe from anyone. Bribery is a crime and penalties can be severe including prison sentences and large financial penalties which may be applied to the Group and its employees and business partners or a combination of any of them. All Employees are reminded that stern disciplinary action, including termination of employment may be taken if found in violation of the Policy or local regulations.
- 4.2 This Policy applies across all jurisdictions in which the Group operates and to all employees, intermediaries or any third parties, who represent the Group.
- 4.3 All individuals to whom this Policy applies have a responsibility to comply with this Policy and a duty to disclose non-compliance with this Policy without fear of victimisation through established reporting procedures.
- 4.4 In the event where local laws for the Group’s businesses outside Malaysia are less restrictive than the principles set forth in this Policy, employees and business partners are expected to comply with the principles set out in this Policy in respect of conduct in all jurisdictions where we operate and vice versa.

5. GIFTS, ENTERTAINMENT AND HOSPITALITY

- 5.1 No personal gifts, favours, entertainment or services, in cash or kind, that will or will appear to influence objective and fair business decisions, will be accepted or provided. Employees are prohibited from, directly or indirectly, receiving or providing gifts. All employees and directors are to abide by this Policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings.

- 5.2 However, gifts, favours, entertainment or services that are deemed as not given to influence the Directors' or employees' performance of duties include normal business courtesies (meals or entertainment), token gifts which are occasional, gifts during festive or special occasions and gifts from social functions attended by the Directors or employees on behalf of the Group, are permissible.
- 5.3 The provision and acceptance of gifts, favours, entertainment or services is not prohibited, if the following requirements are met:
- 5.3.1 it is done in a bona fide manner, without the intention of influencing or rewarding a third party in obtaining or retaining business or a business advantage, or in explicit or implicit exchange for favours or benefits;
 - 5.3.2 the provision or acceptance of gifts, favours, entertainment or services will not create any obligation or expectation on the recipient;
 - 5.3.3 it does not include cash or a cash equivalent;
 - 5.3.4 it is given openly and not secretly;
 - 5.3.5 the value and nature of the expenditure is not disproportionate to the occasion;
 - 5.3.6 it is not overly frequent between the provider and the recipient; and
 - 5.3.7 it complies with relevant laws.
- 5.4 Conditions where gifts, favours, entertainment or services will never be acceptable and should be immediately refused are as follows:
- 5.4.1 it is illegal, indecent, inappropriate or unethical;
 - 5.4.2 it is given or accepted with intention to secure or award business advantage or perceived to unfairly influence business relationships;
 - 5.4.3 it does not conform with results or code of conduct of the recipient's organisation; and
 - 5.4.4 it is in violation of relevant governing laws or regulations.
- 5.5 Employees must never pay on their personal account for gifts, favours, entertainment or services.

6. DONATIONS AND SPONSORSHIPS

- 6.1 All employees must ensure that all donations and sponsorships are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the Group's Code of Ethics and Conduct, particularly the prohibition on bribery.
- 6.2 Employees must be certain that donations to charities or beneficiaries are not disguised as illegal payments or bribes to government officials and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.
- 6.3 All donations and sponsorships must comply with the followings:
- 6.3.1 ensure such contributions are allowed by applicable laws;
 - 6.3.2 obtain all the necessary authorisations;
 - 6.3.3 be made to well established entities having adequate organisational structure to guarantee proper administration of funds;
 - 6.3.4 accurately recorded in the Group's accounting records; and
 - 6.3.5 not to be used as a means to cover up an undue payment or bribery.

- 6.4 Red flags to look out for are as follows:
- 6.4.1 the proposed recipient/organisation has affiliations with a Public Official;
 - 6.4.2 the contribution is made on behalf of a Public Official;
 - 6.4.3 there is a risk of a perceived improper advantage for the Group; and
 - 6.4.4 the proposed recipient is based in a high risk country, the request comes from a high risk country or the activity takes place in a high risk country.

7. FACILITATION PAYMENTS AND KICKBACKS

- 7.1 “Facilitation Payments” is defined as inducements or incentives given to secure or expedite a routine function that an individual is ordinarily obliged to perform.
- 7.2 “Kickbacks” are payments made in return for a business favour or advantage.
- 7.3 All facilitation payments and kickbacks are prohibited. Activities that might lead to a facilitation payment or kickback, directly or indirectly, must be avoided.
- 7.4 Any request for facilitation payment must be refused and the matter must be reported immediately to the Group as guided in the Whistleblowing Policy.
- 7.5 With the exception where one’s life, liberty and safety is at risk and facilitation payment is unavoidable, such payment will be allowed and the matter must be immediately reported to the Head of Department and properly accounted for as a defence when faced with allegations of bribery and corruption.

8. POLITICAL CONTRIBUTIONS

- 8.1 The Group does not make or offer monetary or in-kind political contributions to any political parties, political party officials or candidates for political offices.
- 8.2 Contributions which employees have paid on their personal account will not be compensated or reimbursed in any way by the Group.

9. DEALINGS WITH PUBLIC OFFICIALS

- 9.1 Transparent and fair relationships are to be maintained when dealing with government agencies and public officials. All employees, directors and business partners must exercise caution when dealing with public officials in compliance with applicable laws and regulations of bribery and corruption in all jurisdictions in which the Group operates.
- 9.2 All employees, directors and business partners are prohibited from providing gifts, favours, entertainment or services to public officials or their family/household members in exchange for future benefits or advantages.

10. DEALINGS WITH BUSINESS PARTNERS AND PROCUREMENT PROCESS

- 10.1 All dealings with business partners are to be carried out in compliance with relevant laws and policies of the Group. All forms of bribery and corruption are unacceptable and must not be tolerated.

- 10.2 To avoid unnecessary corporate liability, there must be no business dealings with parties which are reasonably suspected of engaging in bribery and improper business practices.
- 10.3 Employees are responsible to communicate the Group's Code of Ethics & Conduct and this Policy to all engaged Business Partners. The Group will reserve the right to terminate the agreement or contract if Business Partners are found to have breached these policies and principles.
- 10.4 Internal control systems are to be adhered to on supplier selection. Supplier selection should never be based on receipt of gifts, favours, entertainment or services.
- 10.5 Bidding process is open to all qualified bidders and no parties have the unfair advantage of any exclusive and close-door negotiations for contract.
- 10.6 Appropriate assessment shall be conducted on individuals or third parties to ensure the business and background of the potential business partners are free from bribery elements or conflict of interest prior to the procurement process.

11. WHISTLEBLOWING POLICY

- 11.1 It is the responsibility of all personnel to report any suspected contraventions of this Policy in a prompt manner. Any alleged or suspected improper conduct must be clearly disclosed in line with the procedures provided for in the Group's Whistleblowing Policy, which is made available via the corporate website (www.asia-file.com).
- 11.2 All disclosures made in accordance with section 11.1 will be treated with utmost confidentiality. No employee or business partner acting in good faith will suffer adverse consequences to his/her employment or retaliation for reporting or for refusing to engage in prohibited conduct, even if such refusal results in loss of business opportunities to the Group.
- 11.3 Any employee who fails to report known or suspected violations may be subject to disciplinary action including termination of employment.

12. TRAINING AND COMMUNICATIONS

- 12.1 Compliance training programs will be conducted on a timely basis to all employees and Business Partners to ensure awareness and compliance with the anti-bribery and corruption laws and this Policy.
- 12.2 New hires are also to be provided with the anti-bribery and anti-corruption training.
- 12.3 Records pertaining to such training programs are to be kept and maintained by Human Resources Department for reference.

13. ANNUAL DECLARATIONS

- 13.1 All new hires are to complete the training on Anti-Bribery and Anti-Corruption. New hires are to pass the assessment at the end of the training and attest their compliance to the Policy throughout their course of employment.

13.2 All employees and Business Partners are required to complete an annual attestation confirming their acceptance and compliance to the Policy.

14. RESPONSIBILITY FOR POLICY

14.1 This Policy is reviewed and approved by the Board of Directors and the Audit Committee and oversight of this Policy has been delegated to the Audit Committee who will monitor the effectiveness and compliance of this Policy.

14.2 The Board of Directors and Key Management set the tone at the top providing leadership and support for the Policy and take responsibility for its effectiveness within their respective departments.

14.3 The Audit Committee will be responsible for overseeing the process of reviewing the effectiveness and compliance to this Policy. The review may take the form of internal audits carried out by the Internal Audit Department, where necessary.

14.4 A review in relation to Anti-Bribery and Anti-Corruption shall be included in the Audit Plan on a yearly basis. The scope of review should include evaluations of the design, effectiveness and compliance and provide recommendations for improvements, where required to ensure that the policy and practices remain relevant and adequate.

15. RECORD KEEPING

15.1 All transactions, including payments or receipts in relation to gifts, entertainments, donations and sponsorships must be accurately and transparently recorded to reflect the nature and purpose of the activity.

15.2 All applicable control and approval procedures must be strictly adhered to.

This Policy is approved by the Board of Directors and effective as of **1 June 2020**.