



UNISEM (M) BERHAD

ANTI-CORRUPTION AND BRIBERY POLICY

1) Title

Anti-Corruption and Bribery Policy (hereinafter referred to as "Policy")

2) Purpose

The purpose of this Policy is to:

- a) set out the responsibilities of UNISEM, and of those working for UNISEM, in observing and upholding UNISEM's position on bribery and corruption; and
- b) provide information and guidance to those working for UNISEM on how to recognize and deal with bribery and corruption issues.

3) Our Principles

- 3.1 We conduct all of our business in an honest and ethical manner. UNISEM take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our relationships and business dealings wherever we operate and to implementing and enforcing effective system to counter bribery.
- 3.2 We will uphold all laws relevant to countering bribery and corruption. We remain bound by the laws of the Malaysia, including Anti-Corruption Act 2009 (ACT 575) and Anti-Corruption Commission (Amendment) Act 2018 (A1567), in respect of our conduct both at home and abroad.
- 3.3 Corruption and bribery are criminal offences and are punishable for individuals and the Company by up to ten to twenty years' imprisonment and fine, and if the Company is found to have taken part in corruption we could face a fine, officer will be liable for the offences unless necessary due diligence exercise and adequate procedures to prevent the offence and face damage to our reputation.
- 3.4 In this Policy "third party" means any individual or organization we come into contract with at work, and includes actual and potential customers, supplies, distributors, business contacts, agents, advisers, consultants, subcontractors and joint ventures partners.
- 3.5 To address these risks we have taken the following steps:-
 - 3.5.1 Implement an anti-corruption and bribery policy;
 - 3.5.2 Perform regular corruption risk assessment on our operations and review findings;
 - 3.5.3 Take steps to implement training programmes for all individual operating in areas of the organization that are identified as high risk; and
 - 3.5.4 Regular review and update to this Anti-Corruption and Bribery Policy.

4) Definitions

- 4.1 **Bribe** – Anything of value given in an attempt to affect a person’s actions or decision in order to gain or retain a business advantage. Anything of value includes cash, entertainment or others gifts or courtesies.
- 4.2 **Corruption** – The misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
- 4.3 **Facilitation Payments** – Small sums, unofficial payment made to secure or expedite a routine government action by a government official.
- 4.4 **Kickbacks** – The return of a sum already paid or due as a reward for awarding of furthering business.
- 4.5 **Officer** – The director, controller, officer, partner and concerned in the management of its affairs.

5) Scope

This Policy applies to all companies within the Unisem Group.

This includes all individual working at all levels and grades, including senior managers, managers, officers, directors, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, volunteers, interns, agents, sponsors, suppliers, customers, any thirds party and any other person associated with us.

6) Gifts, Entertainment and Hospitality

- 6.1 UNISEM’s policy and practice encourage the use of good judgment, discretion, and moderation when giving or accepting gifts or entertainment in business settings. Gift giving and entertainment practices may vary in different cultures; however, any gifts and entertainment given or received must be in compliance with law, must not violate the giver’s and/or receiver’s policies on the matter, and be consistent with local custom and practice. We do not solicit gifts, entertainment, or favors of any value from persons or firms with which UNISEM actually or potentially does business. Nor do we act in a manner that would place any vendor or customer in a position where he or she may feel obligated to make a gift, provide entertainment, or provide personal favors to do business or continue to do business with UNISEM.
- 6.2 All Benefits (including Gifts and Entertainment) given or received must be in accordance with Unisem Gifts & Entertainment (G&E) Guidelines. (Refer document - **UGHRG-005 Gifts, Entertainment and Other Benefits**).
- 6.3 All benefits (including Gifts and Entertainment) must be :-
 - 6.3.1 Reasonable in value
 - 6.3.2 Infrequent in nature
 - 6.3.3 Transparent and open
 - 6.3.4 Not given to influence or obtain an unfair advantage
 - 6.3.5 Respectful and customary

7) Facilitation payments and Kickbacks

- 7.1 We do not make, and will not accept, facilitation payments or “kickbacks” of any kind.
- 7.2 Any individual with any suspicions, concerns or queries regarding a payment made on our behalf or improper business practices, he/she should raise these by call Ethics Hotline Number which is available during working hours from 8:00am (+0800 UTC) to 5:45pm (+0800 UTC), Monday to Friday at (+) 6012-5334890 (International) or write in email to ethicsqueries@unisemgroup.com

8) Donations and Political Contribution

- 8.1 UNISEM does not make charitable donations or contributions to political parties. Whilst employees are permitted to make personal political contributions, UNISEM will not make any reimbursement for these personal political contributions back to its employees.
- 8.2 Contributions or donations made by UNISEM to community projects or charities need to be made in good faith and in compliance with UNISEM Code of Ethics, this Anti-Corruptions Policy and all relevant UNISEM’s policies and procedures.
- 8.3 UNISEM funds, services, property, facilities or employee time cannot be used for or contributed to any political party or candidate for public office without approval by the Chairman/GCOO/COO/President/GM (both at a Country and Corporate level).

9) Procurement Process

- 9.1 UNISEM 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. When supplier selection is formal, structured invitation for the supply of goods and services (often called a “tender”), it is most important we maintain documentation supporting our internal controls.
- 9.2 A tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality.
- 9.3 Due diligence of new suppliers in supplier selection should include elements of corruption including bribery.

10) Responsibilities

- 10.1 UNISEM takes corruption and bribery very seriously. Any violation of this Policy will be regarded as serious matter by the Company and is likely to result in disciplinary action, including termination, consistent with local law.
- 10.2 The Board has oversight of this Policy and the GCOO/COO/GM are responsible for ensuring the compliance with this Policy. Every employee and manager is required to be familiar with and comply with this Policy.
- 10.3 Bribery is a criminal offense. An employee will be accountable whether he/she pays a bribe himself/herself or whether he/she authorizes, assists, or conspires with someone else to violate an anti-corruption or anti-bribery law. Punishment for violating the law are against him/her as an individual and may include imprisonment, probation, mandated community service and significant monetary fines which will not be paid by UNISEM.
- 10.4 Employee must notify his/her manager as soon as possible if he/she believes or suspect that a conflict with this Policy has occurred, or may occur in future. For example, if a customer or potential customer offers him/her something to gain a business advantage with us, or indicates to him/her that a gift or payment is required to secure their business. Further indications that may point towards bribery or corruption are set out in Schedule 1.

11) Record-keeping

- 11.1 UNISEM must keep financial records and have appropriate internal controls in place which will evidence that business reason for making payments to third parties.
- 11.2 Ensure all expenses claims relating to hospitality, gifts or entertainment incurred to third parties are submitted in accordance with UNISEM Reimbursement Policy.
- 11.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, supplies and business contracts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

12) Protection

- 12.1 Workers who refuse to accept or offer a bribe or those who raise concerns or report another’s wrongdoing, are sometimes worries about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy even if they turn out to be mistaken.

13) Training and Communication

- 13.1 All existing workers operating in areas that are perceived as high risk will receive regular, relevant training on how to implement and adhere to this Policy.
- 13.2 Our zero-tolerance approach to corruption and bribery must be communicated to all supplies, contractors, agents, business and other partners at the outset of our relationship with them and as appropriate thereafter.

14) Monitoring and Review

- 14.1 All workers are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 14.2 Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering corruption and bribery.

Policy last updated 21 August 2020

Schedule 1 : Potential risk scenarios : “red flags”

The following is a list of possible red flags that may arise for an individual while working for UNISEM and which may raise concerns under various anti-corruption and anti-bribery laws. The list is not intended to be exhaustive and is for illustration purposes only.

If an employee encounters any of these red flags while working for UNISEM, he/she must report them promptly to his/her manager or to the HR Manager.

- (a) Become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) Learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with foreign government officials;
- (c) A third party insists on receiving a commission or fee payment before committing to sign up a contract with us, or carrying out a government function or process for us;
- (d) A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoices or receipt for a payment made;
- (e) A third party requests payment in made to a country or geographic location different from where the third party resides or conducts business;
- (f) A third party requests an unexpected additional fee or commission to “facilities” a services;
- (g) A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) A third party requests that a payment is made to “overlook” potential legal violations;
- (i) receive an invoice from a third party that appears to be non-standard or customized;
- (j) A third party insists on the use of side letters or refuses to put terms agreed in writing;
- (k) notice that UNISEM have been invoiced for a commission of fee payment that appears large given that service stated to have been provided;
- (l) A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or know to us; or
- (m) Been offered an unusually generous gift or offered lavish hospitality by a third party.