

PENSONIC HOLDINGS BERHAD (199401014746/300426-P)
Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001
Date : 09 February 2021 Rev #2.0

1. Policy Statement

We, Pensonic Group of Companies (“Pensonic Group”) are committed to conducting our business with integrity, trustworthiness and accountability. The management of Pensonic Group continually promotes a culture of integrity within Pensonic Group and stress the importance of a zero-tolerance approach to bribery and corruption in our actions and decisions, both internally and externally.

Under Section 17A(3) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Act 2018), if the commercial organization is found liable under the corporate liability provision, a person who is the director, controller, officer or partner of the organization or a person who is concerned with the organization’s management affairs at the time of commission of an offence, is deemed to have committed that offence unless such persons can prove that the corrupt act was committed without his consent or connivance and that he exercised due diligence to prevent that commission of the offence as he ought to have exercised, having regard to the nature of his function in that capacity and to the circumstances.

This Anti-Bribery and Corruption Policy (“ABC”) shall be read together with Pensonic Group’s other internal policies/procedures/guidelines/manuals including but not limited to Pensonic’s Code of Conduct, Employee Handbook and Whistleblowing Policy.

2. Purpose

The Board of Directors and Management of Pensonic Group recognises the importance of ethical values to achieve sustainable growth in both short and long term as well as supports a culture of integrity in pursuit of excellence.

Therefore, establishing appropriate policies and procedures to meet existing requirements and guidelines shall further prevent the occurrence of corrupt practices and enhance Pensonic Group’s position in maintaining global trust and respect.

The policy is intended to provide guidance and information on how to combat bribery and corruption. If in doubt on the scope of applicable laws or application of this policy, you should consult your immediate supervisor, Head of Department (“HOD”), Human Resource Department and/or the Management.

3. Scope and applicability

The Policy applies to all companies within Pensonic Group operated in Malaysia and includes Directors and employees of all levels and grades whether full-time, part-time, contract, temporary, interns and trainees.

Pensonic also expects that the commercial party/parties that have dealings with Pensonic such as agents, distributors, representatives, contractors, sub-contractors, suppliers, vendors, consultants, trade customers and others who perform work or services for and on behalf of Pensonic will comply with the relevant parts of this Policy when performing such work or services.

This Policy is not intended to provide answer to all questions regarding bribery and corruption, instead it is intended to provide the directors, officers, employees and third parties with a guide

Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001

Date : 09 February 2021 Rev #2.0

on how to prevent and detect bribery and corruption in pursuant to Pensonic commitment to zero-tolerance on bribery and corruption.

4. Responsibility of this Anti-Bribery and Corruption Policy

All the Level E and above in the employee category of Pensonic shall be primarily responsible for the implementation and administration of this Anti-Bribery and Corruption Policy. All the Head of Department (“HOD”) has the responsibility for monitoring the use and effectiveness of this Policy and dealing with any queries on its interpretation.

5. Compliance with laws and regulations

This Anti-Bribery and Corruption Policy shall at all times comply with the laws and regulations of Malaysia. In the event of any inconsistency or conflict between the provisions of this policy and the laws of Malaysia, the latter shall prevail. The paramount laws on bribery and corruption is the Malaysia Anti-Corruption Commission Act 2009, Amendment Act 2018 (“MACC Act”) and the Penal Code (Chapter IX).

Bribery and corruption are punishable offences under the MACC Act. There are 4 main offences prescribed by MACC Act :

- a) Soliciting/receiving gratification as per Section 16 & 17(a)
- b) Offering/giving gratification as per Section 17(b)
- c) Intending to deceive (false claim) as per Section 18
- d) Using office or position for gratification as per Section 23

Additionally, any breaches of this Anti-Bribery and Corruption Policy may tantamount to a breach of Section 17A of the MACC Act in which in the event any commercial organisation commit an offence under Section 17A shall, on conviction, be liable to :

- a) A fine not less than 10 times the sum or value of gratification or RM1 million, whichever is higher; or
- b) Its officers concerned, imprisonment for a term not exceeding 20 years, or BOTH.

Gratification as defined in MACC Act as :

- a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property, whether movable or immovable, financial benefits;
- b) Office, dignity, employment, contract of employment/services and agreement to give employment/render services in any capacity;
- c) Payment release, discharge/liquidation of loan, obligation or other liability;
- d) Valuable consideration of any kind, 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, whether or not already instituted, and including the exercise or the forbearance from 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 (a) to (f).

PENSONIC HOLDINGS BERHAD (199401014746/300426-P)
Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001
Date : 09 February 2021 Rev #2.0

Chapter IX of the Penal Code covers offences by public servants accepting and abetting in corruption.

6. Infringement of this Anti-Bribery and Corruption Policy

The infringement of this Anti-Bribery and Corruption Policy shall constitute a serious misconduct or offence that warrants a disciplinary action up to and including dismissal against the offender.

7. Gifts, Hospitality and Entertainment

Pensonic acknowledges that Gifts, Hospitality and Entertainment (G+H+E) may be an appropriate business practice, however, improper or excessive G+H+E can be a form of bribery, corruption or gratification, which is prohibited under this Anti-Bribery and Corruption Policy.

It is more important than ever to secure that we prevent any suspicion of corruption or misuse of company assets effectively. The following guidance must be followed :

a. Offering or giving Gifts, Hospitality and Entertainment

Except as provided in this Policy, no G+H+E may be provided, directly or indirectly by Pensonic or any director, officer, employee or third party/agent for or on behalf of Pensonic or any director, officer and employee.

Pensonic may only offer Gifts, Hospitality and Entertainment to business partners if :

- It is reasonable, proportionate and made in good faith to improve the image of a commercial organisation, better present products and services, or establish relations (i.e. legitimate business purposes).
- It is not given or does not create the appearance of being given as a bribe, pay off, to obtain or retain business, or to secure an improper advantage
- It does not create the appearance that the giver is entitled to preferential treatment, is trying to obtain an improper or unfair advantage through the invitation or is conditional upon receiving anything in return for accepting the G+H+E
- Is reasonable, amount limited to RM500 and appropriate in the context of the business occasion
- It is part of the Corporate Social Responsibility or to any charitable bodies
- It is part of the Customer Relationship Management activities
- It is one of the rebates/incentives based on Written Business Contracts/Trading Term/Agreement
- It is customary or seasonal / festival gifts

b. Receiving Gifts, Hospitality and Entertainment

All directors, officers and employees as well as any third party/agent acting or on behalf of Pensonic, or its directors, officers and employees are prohibited from :

- Accepting any payments (including cash or cash equivalents such as vouchers, gift cards, credit cards or credit notes);
- Requesting gifts, contributions, gratuities, services or bribes from Pensonic's suppliers, or clients, regardless of its worth;

Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001

Date : 09 February 2021 Rev #2.0

- Accepting any G+H+E from a supplier when they are bidding for a contract, if those receiving the G+H+E have some influence on the contract decision, unless G+H+E takes the form of basic refreshment as a business courtesy;
- Accepting any favours that might be regarded as placing you under some obligation to such person or party;
- Accepting any G+H+E in the form of per diem or daily payments;
- Accepting from, a business contact of Pensonic any G+H+E in your personal capacity or through any family member or agent to avoid the requirements of this G+H+E Policy.
- Accepting a Non-Business Travel invitation by any commercial party/parties

c. Specific exceptions to the Gifts, Hospitality and Entertainment Policy

There are exceptions to the general rule whereby the receiving and giving of G+H+E are permitted in the following situations :

- Exchange of gifts at company to company level (exchange of gifts as part of official company visit and the gift is treated as company's property);
- Food and drinks that are customarily offered as gifts during the festive occasions;
- Food and refreshments served at public events and business meetings (e.g. opening ceremonies, launching event, promotion events, conference and suppliers' meetings) that are not lavish in the light of acceptable business practice;
- Gifts from Pensonic to external bodies in relation to company's official functions :
 - i. for the promotion, demonstration or explanation of products and services;
 - ii. execution or performance of the business relationship;
 - iii. building a business relationship;
- Gifts from Pensonic to employees and directors and/or their family members in relation to a recognised company function, event and celebration;
- Token gifts of nominal value that carried the Group's product logo (eg. T-shirts, pens, diaries, calendars) that are given out equally to members of the public, customers, shareholders and is deemed as part of Group's brand building and promotional activities.
- It may be appropriate for third parties to pay for travel-related expenses for Pensonic staff. Offers of travel must be approved by the HOD. The primary purpose of the travel must be business related, itinerary minimises side trips and avoids tourist destinations and travel offered for family members is not allowed.

When deciding the appropriate of the offer or acceptance of G+H+E, Employees are required to exercise sound business judgement and conduct themselves in a professional and ethical manner by avoiding any conduct that creates the appearance or may be perceived by others as bribery.

Examples of situation that may be considered inappropriate to offer or accept G+H+E include : tender, sales pitching, contract renewal, dispute settlement and other situations where the recipient may feel obliged or be influenced because of the nature and/or value of the Gifts, Hospitality and Entertainment.

Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001

Date : 09 February 2021 Rev #2.0

8. Facilitation Payments

Facilitation payments are typically small, unofficial payments made to secure or expedite the performance of a routine or necessary action (such as the issuance of permits, licences, processing visas or work permits, provisions of mail pick-up service etc) to which the payer is entitled, legally or otherwise.

Offering, promising, requesting, paying facilitation payments is strictly prohibited. The facilitation payments need not involve cash or other asset, it can be any sort of advantage to influence them in their duties.

All directors, officers and employees must not offer, promise, give, request, accept or receive anything which may be regarded as a facilitation payment. If any employee does receive a request or offered facilitation payment, the said employee must immediately report directly to the HOD.

9. Kick-backs

Kick-backs are typically payments made in return for a business favour. These kick-backs are fulfilled after a company has awarded a contract. They take place in purchasing, contracting procurement or other departments responsible for decisions to award contracts. The supplier provides the bribe by kicking part of the contract fee back to the buyer, either directly or through intermediary.

All directors, officers and employees must avoid any activity that might lead or suggest that kick back will be made by or on behalf of Pensonic. Any suspicions, concerns or queries regarding a payment should be reported to the HOD directly.

10. Corporate Social Responsibility (CSR), Sponsorships and Charitable Donations

These are legitimate activities for entities but can be abused by being used as a subterfuge for bribery. Any CSR, sponsorship and donations must not be used to facilitate corruption, bribery and money laundering activities. All CSR, sponsorship and donations must be made in accordance to the approval limits in the Limits of Authority.

CSR Projects, Sponsorships and Donations in support of CSR projects and the use of Sponsorships and Donations (collectively "contributions"), are part of our contribution to the wellbeing of the communities and the environment in which we operate. Such contributions, however, can never be promised, offered or made to secure a business advantage or for any other improper purpose such as to bribe or self-enrich. Before offering, promising or making any contribution to CSR projects, a Sponsorship or a Donation, you must ensure the contribution complies with the CSR projects, Sponsorships and Donations Directive.

Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001

Date : 09 February 2021 Rev #2.0

11. Our responsibilities

It is the responsibilities of all employees, officers and directors of the company to prevent, detect, report any bribery and other forms of corruption.

All Pensonic personnel shall certify in writing that they have read, understood and will abide by this policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the personnel's employment.

12. Record keeping

Pensonic must keep the financial records and have appropriate internal controls in place which will evidence the business reason for any payments made to third party. All directors, officers and employees must ensure that all expenses relating to gifts, hospitality and entertainment expenses incurred are submitted in accordance with the company's expense policy and record the reason for such expenditure.

Adequate and relevant record shall be maintained for seven (7) years by appropriate personnel/department to ensure transactions are executed in accordance with appropriate authorization. Supporting documents such as invoices, memoranda and other documents and records relating to dealings with third parties should be prepared and maintained with accuracy and completeness.

13. Raising concerns & Speak Up

It is vital that all directors, officers or employees and third-party agents, adhere and comply with this Anti-Bribery and Corruption Policy and Pensonic encourage them to act as our first line of defence by raising their concerns and speaking up when they see, or become aware of bribery, corruption and gratification.

Any queries or uncertainties whether a particular act constitutes bribery or corruption may be raised with the HOD or Human Resources Manager.

Pensonic has an environment where employees can raise concerns and report without fear of reprisal or retaliation through the Whistleblowing channel to the Chairman of the Audit Committee, Pensonic Holdings Bhd.

14. Protection and reporting violations

Pensonic is committed in ensuring that no one will suffers any detrimental treatment as a result of refusing to take part in bribery or corruption or because of reporting in good faith their suspicion that an actual or potential bribery has taken place or make take place in the future.

Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001

Date : 09 February 2021 Rev #2.0

If the director, officer or employee believe that he/she has suffered such any unfair treatment or retaliation, they can report the Human Resource Manager for investigation. If the matter is not remedied, then they may raise the matter with the MD.

Concerns may also be raised through the whistleblowing policy which concerns will go to the Whistleblowing Committee.

All information received shall be treated with confidence. Information on the identity of the individual who reports fraudulent activities will not be released without prior consent of the individual. Investigation status/results must not be disclosed or discussed with anyone other than those who have a legitimate need to know.

15. Training and communication

Pensonic will conduct an awareness programme regarding anti-bribery and corruption, integrity and ethics as part of the induction process for all new employees. Employee will be asked annually to formally accept that they will comply with this policy. Training will be provided when it is deemed necessary.

All HOD are responsible to make sure Pensonic Anti-Bribery and Corruption Policy and zero-tolerance attitude are clearly communicated to all suppliers, contractors, business partners and any third parties at the outset of business relations, and as appropriate thereafter.

Human Resources Manager will provide a checklist on the acknowledgement annually to all HOD to follow up with the business partners on this Policy.

This policy is available on Pensonic's website at www.Pensonic.com

16. Monitor and Review

The Human Resources Manager will monitor the effectiveness and the review the implementation of this policy. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All directors, officers, employees and third party/agents are responsible for the success of this policy and should ensure that they use it to disclose any bribery or corruption. All directors, officers and employees are invited to comment on this policy and suggest ways to improve it. Any comments, suggestions or queries should be addressed to the Human Resource Manager.

This policy will be reviewed annually by Pensonic and may be amended at any time. All directors, officers and employees will be notified of any material revisions to this Policy.

Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001

Date : 09 February 2021 Rev #2.0

Appendix

Sample of Staff Declaration Form

I, _____ (NRIC No. _____)
hereby declare that I have read and understood Pensonic's Anti-Bribery and Corruption Policy. I will
abide by the requirements and provisions set out in the Policy, as required by my employment
contract.

Name :

Title :

Date :