

Anti-Bribery And Corruption Policy

Doc. No. PHB-Corporate-0001

Date : 17 April 2023 Rev #4.0

This Anti-Bribery & Corruption (ABC) Policy is to further enforce the Pensonic Group of Companies ("Pensonic Group") Code of Conduct & Business Ethics to ensure that employees understand their responsibilities in compliance with the Pensonic's zero tolerance for bribery and corruption within the organisation.

1. Bribery and Implications

This ABC Policy shall apply to all directors, managers and employees of the Pensonic Group in dealing with external parties in the commercial context.

Managers and supervisors of all levels have additional responsibilities under the ABC Policy and are held to a higher standard of compliance. They are required to create and maintain an open environment that is comfortable for employees to ask questions, raise concerns and report misconduct.

All employees of the Pensonic Group must refrain from any acts of bribery which takes the form of offering, promising, giving, demanding or receiving anything of value to anyone in the form of bribes, kickbacks and/or any other improper gratification (including gifts, hospitality and entertainment) to improperly influence the outcome of any transaction, whether it is for their own personal benefit or for the benefit of the Pensonic Group.

The Pensonic Group strictly does not tolerate any bribes given for purposes of obtaining or retaining business for the Pensonic Group or provides an advantage to the businesses of the Pensonic Group.

Any employee of the Pensonic Group that breaches any of the ABC Policy would fall within the scope of serious misconduct and would be subjected to disciplinary action, up to and including dismissal, depending on the facts and circumstances of each case.

2. Definitions

"Bribery" is commonly described as offering, promising, requesting, accepting, transferring or soliciting an advantage for oneself or another, in order to improperly induce, influence, obtain or reward the performance of a function or an activity or to improperly prevent such a performance (consideration or reward). A bribe for the purposes of this ABC Policy may be any financial or other improper advantage given directly or through an intermediary.

"Conflict of Interest" means when a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making.

"Corruption" refers to the misuse of entrusted power for personal gain or enrichment, or the misuse of one's position to assist others in improperly or unlawfully enriching or empowering themselves.

"Gratification" shall have the meaning defined in the Malaysian Anti-Corruption Commission Act 2009 which includes but is not limited to anything of monetary and non-monetary value or benefit to the person. Gratification does not have to be directly given or received by an employee, but it can also be given or received by anyone related to the employee that is beneficial, of value or advantageous to the employee.

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Gratification can be subdivided into the following categories (without limitation to):-

MONETARY	OF MONETARY VALUE	EMPLOYMENT	NON-MONETARY VALUE
<ul style="list-style-type: none"> • Money • Donation • Gift • Loan • Fee • Reward • Financial benefit • Valuable security 	<ul style="list-style-type: none"> • Property – can be movable or immovable. Examples: • Immovable property: house, land • Movable property: car, shares in a company 	<ul style="list-style-type: none"> • Office or position in an organisation that is lucrative. • Dignity or title. • Employment • Contract for services • Agreement to give employment or render services 	<ul style="list-style-type: none"> • Undertaking or promise to do or not to do something (whether orally or in writing, with conditions or without) • Favours

"Gifts" can be in the form of goods or services, including anything that can be of value to the person receiving it. Examples of these can be free travel trips, tickets for any cultural, entertainment or sporting events, and payment of loan, school fees or medical expenses.

"Hospitality" includes providing meals, refreshment, travel, transportation, lodging, as well as entertainment in the context of conventional, cultural and sporting events.

"Public officials" are defined as any person who is a member, an officer, an employee or a servant of a public body.

3. Public Officials & Government Dealings

The Pensonic Group recognises that the practice of giving and receiving gifts varies between countries, regions, cultures, and religions, so the definitions of what is acceptable and not acceptable will inevitably differ for each. When dealing with public officials, employees of the Pensonic Group should ensure that any giving or receiving of gifts do not relate to, in any form whatsoever, the public official's official dealings or public duty. At all material times, employees of the Pensonic Group are to ensure compliance with laws of their respective jurisdictions, and the higher standard will be applicable to all employees to avoid non-compliance of any laws on anti-bribery which may be applicable to the Pensonic Group as a whole.

Any hospitality of public officials, subject to the approval of a director, are for circumstances where it is to reasonably facilitate genuine promotional, business or educational meetings. Any hospitality provided must be without expectation of any influence exerted on the public official in exchange for any commercial outcome, and should always be at a reasonable and modest value.

4. Conflicts of Interest

A Conflict of Interest may arise in a situation where an individual is in a position to take advantage of his/her role in Pensonic for his/her personal benefit, including the benefit of his/her family and/or friends and/or company. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by Pensonic from its employees in the performance of their duties and obligations.

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All employees of the Pensonic Group should avoid situations in which personal interest could conflict with their professional obligations or duties. All employees must not use their position, official working hours, company's resources and assets, or information available to them for personal gain or to the company's disadvantage.

In situations where a conflict does occur, employees are required to declare the matter to the immediate supervisor and/or head of department.

5. 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.

In respect of any gifts, hospitality and entertainment in the commercial context:-

- a) The intention behind giving or receiving any gifts, hospitality or entertainment must always be considered first. It should never be for an improper motive to obtain or retain a business, or to obtain some form of benefit or advantage, whether it is for the business or for the individual employee;
- b) If an employee is unsure of how to consider the intention behind any gifts, hospitality or entertainment offered, the employee must always disclose and refer the matter to the immediate supervisor or head of department to obtain advice and also approval before proceeding;
- c) All employees of the Pensonic Group are not allowed to give or receive any gratification, gifts, hospitality or entertainment where it is for an improper purpose and can be deemed as a gratification, regardless of whether it is to benefit the employee individually or to benefit the business of any of the Pensonic Group;
- d) An employee must obtain prior clearance and approval from the immediate supervisor and/or head of department before giving or receiving any gifts, hospitality or entertainment to or from any person which is not of any improper motive;
- e) Where any gifts, hospitality or entertainment is not improper and received before prior approval can be obtained, an employee must always disclose such gifts to the immediate supervisor and/or head of department, regardless of its value;
- f) Where it is difficult or inappropriate to decline the offer of a gift, hospitality or entertainment (i.e. when meeting with an individual of a certain religion/culture who may take offence), it may be accepted but it must be declared and/or surrendered to the employee's immediate supervisor and/or head of department, who will assess the relevant circumstances and take the necessary steps, including returning the gift on the employee's behalf, where appropriate or required to do so.

Any gifts, hospitality or entertainment provided by the Pensonic Group must always be of moderate and reasonable value and should never be given:-

- a) With an intention to exert improper influence or create a perception of expectation for certain outcomes beneficial to the business of Pensonic Group; or
- b) Where it causes a conflict of interest.

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6. 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 immediate supervisor and/or head of department.

7. 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 immediate supervisor and/or head of department directly.

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

Any donations, sponsorships and charitable contributions by the Pensonic Group must be done in a transparent manner for social and moral responsibility. It should never be paid in exchange for any business implications to the Pensonic Group, whether it is to obtain a business, or to obtain some form of advantage of the business of the Pensonic Group.

All employees of the Pensonic Group should not agree or promise to provide any form of political donation or support particularly where it is to obtain any business or advantage to the Pensonic Group. Any requests for political donations should be brought to the attention of the executive director(s) immediately.

9. Tender Process

Any tender processes participated by any company under the Pensonic Group should be done in a transparent manner in the bidding process.

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10. Third Parties & Agencies

The Pensonic Group requires that all employees conduct the requisite due diligence of third parties that the Pensonic Group contracts with or hires to carry out any external functions on behalf of the Pensonic Group, which includes without limitation to agents, consultants, contractors, subcontractors, resellers, customs brokers, business contacts, professional advisors, joint venture partners and any other parties supplying goods and services to the Pensonic Group (collectively referred to as "Other Applicable Person(s)").

Where reimbursements are paid to Other Applicable Persons, employees of the Pensonic Group are to ensure that such payments made are for proper reimbursements and not for reimbursements that can be tied to giving any form of gratification for improper purposes.

The Pensonic Group expects all Other Applicable Persons to have anti-bribery and corruption policies in place within their organisation or part of their work ethos which are consistent with this ABC Policy.

The Pensonic Group has zero tolerance of Other Applicable Persons who do not conduct themselves in accordance to the principles of the ABC Policy where it brings disrepute or legal implications to the Pensonic Group. Any non-compliance with the principles of the ABC Policy by Other Applicable Persons may lead to the review and/or termination of any agreement with such parties.

11. 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 immediate supervisor and/or head of department 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 Berhad.

12. Violation of The ABC Policy

Any violation of the Pensonic Policy by employees of the Pensonic Group will attract serious repercussions and disciplinary action after due inquiry. Where there is strong evidence of bribery and corruption committed by any employee of the Pensonic Group, the employee can be summarily dismissed and will not be allowed to be employed in any other companies of the Pensonic Group.

Employees who are found to have assisted or facilitated the violation of the ABC Policy, whether actively or by way of negligence or omission, will also be deemed to have violated the ABC Policy

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and committed a misconduct that is liable for dismissal from their employment with the Pensonic Group.

13. 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.

14. Training and communication

Pensonic will conduct training/awareness programme regarding anti-bribery and corruption, integrity and ethics for all employees when it is deemed necessary.

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.

All Head of Departments 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.

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

15. Monitor and Review

The Pensonic Group and its Board of Directors will be monitoring compliance with the ABC Policy. There is no tolerance or excuse for non-compliance with the ABC 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.

The ABC Policy will be reviewed from time-to-time, and at least once every three years to ensure that it continues to remain relevant, appropriate and effective in the enforcement of the principles herein and to ensure continued compliance with the prevailing law.

All employees of the Pensonic are responsible to keep themselves up-to-date with the Pensonic Group and their employer's latest policies and processes, in particular, this ABC Policy and ensure that the highest standards of compliance are followed.