



PANTECH GROUP

PANTECH GROUP HOLDINGS BERHAD ANTI-BRIBERY AND CORRUPTION POLICY

1.0 INTRODUCTION

- 1.1 Pantech Group Holdings Berhad and all of its respective subsidiaries as may be established from time to time (collectively referred to as the “**Pantech**”) adopts this Anti-Bribery and Corruption Policy (“**Policy**”); setting out the responsibilities to its employees, directors, and business associates to commit in compliance to the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act 2009**”) and any of its subsequent amendments or re-enactments by the relevant authority from time to time.
- 1.2 This Policy is designed to provide a frame of reference and guidelines to all persons working for and with Pantech in observing and complying with the applicable laws on anti-bribery and corruption, aiming to prevent the occurrence of bribery and corrupt practices. This Policy also applies to any third party (person or entity) who perform services for and on behalf of Pantech.

2.0 STATEMENT

- 2.1 The Board of Directors and all employees of Pantech are committed to conduct business professionally, ethically and with the highest standards of integrity.
- 2.2 We recognise that under the corporate liability, any employee involved in bribery and corruption will be liable to fine or sentenced to imprisonment under the new provision, Section 17A of the MACC Act 2009 (Amendment 2018) on corruption offenses by commercial organisations which comes into force on 1st June 2020 (*fine not less than 10 times the sum or value of the gratification, or RM1 million, whichever the higher, or imprisonment not exceeding 20 years or both fine and imprisonment*).
- 2.3 We will continuously uphold all laws relating to anti-bribery and corruption in all the jurisdictions in the countries that we operate. In cases where there is a conflict between mandatory laws and the principles contained in this Policy, the law shall prevail.

3.0 DEFINITION

- 3.1 “**Gratification**” refers to something of value which includes, but not limited to money, donation, gift, loan, fee, reward, valuable security, information, property or interest in property, employment, appointment, release, forbearance, undertaking, promise, rebate, discount, services employment or contract of employment or services and agreement to give employment or render services in any capacity.
- 3.2 “**Employees**” mean all employees whether temporary, fixed-term, permanent or trainees.
- 3.3 “**Directors**” include all independent and non-independent Directors, executives and non-executive Directors of Pantech and shall also include alternate or substitute Directors.

- 3.4 **“Business Associates”** include clients, consultants, contractors, sub-contractors, suppliers, casual workers, agency staff, agents, sponsors, joint-venture partners, investors, business partners and any other person or persons who associate with Pantech.
- 3.5 **“Public officials, Trustees, Board”** include officials of any governments, government’s agencies or any regulatory, statutory or administrative bodies, whether local or foreign.

4.0 SCOPE

- 4.1 This Policy applies to Employees, Directors, Business Associates of Pantech as well as Public officials, Trustees, and Board.
- 4.2 Controlling interest company of Pantech is required to adhere to this Policy and non-controlling interest company is encouraged to adopt this Policy or similar principles.
- 4.3 This Policy is supplemental to the MACC Act 2009.

5.0 FORMS OF BRIBERY AND CORRUPTION

For purpose of this Policy, each of the examples in 5.1 to 5.4 below is referred to as “bribery and corruption offence”.

5.1 Bribery

Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or gratification or an advantage so as to induce or influence an action or decision.

Bribery is not limited to the act of offering a bribe. An individual who accepts or receiving a bribe are also breaking the law.

Bribery is illegal. Directors, employees and business associates must not engage in any form of bribery, whether directly or indirectly. They must not accept bribes in any degree and if they are uncertain whether it is a bribe or a gift or an act of hospitality, they must seek further advice.

5.2 Bribes

A bribe is gratification bestowed to influence the recipient's conduct.

5.3 Kickbacks

A kickback is a form of negotiation bribery in which a payment is paid to the bribe-taker in exchange for services rendered or to cooperate in an illegal scheme.

5.4 Extortions

An extortion is a criminal offence of obtaining money, property, or services from an individual or institution, through coercion, i.e. action or practice of persuading someone to do something using force or threats (verbal or written).

6.0 GIFTS, HOSPITALITY AND ENTERTAINMENT, DONATIONS AND SPONSORSHIPS

Generally, Pantech has adopted a “No Gift” Policy and the only type of gift-giving to and receiving from external parties allowed is corporate gifts bearing Company logo or identity. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as part of the Company’s brand awareness, marketing or promotional activities.

Save as allowed specified EXCEPTIONS under this Policy, all employees, directors, and business associates acting for or on behalf of Pantech are prohibited from directly or indirectly receiving or giving gifts.

Any receiving or giving of gifts, hospitality and entertainment, donations and sponsorships are subject to the prior approval from respective director of Pantech. The approving director is expected to exercise proper care and judgment in each case so as not to breach this Policy and be held fully responsible for any non-compliance to the MACC Act 2009.

6.1 Gifts

The following are EXCEPTIONS to the "No Gift" Policy whereby, the receiving and giving of gifts is subject to the approval from respective director of Pantech with fulfilment of the following conditions:

- a) Gifts that are limited, customary, festive, tradition, and lawful under the circumstances;
- b) Such gifts do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions;
- c) There shall be no expectation of any specific favour or improper advantages from the intended recipients;
- d) The independent business judgement of the intended recipients shall not be affected;
- e) There shall not be any corrupt/criminal intent involved;
- f) The giving out of the gift shall be done in an open and transparent manner;
- g) Gifts giving or received from business associates for the purpose of external or internal official Company events or functions, or in conjunction with any festive or occasion are allowed. However, prior approval from a director in accordance with the Company's **Limits of Authority** applies for gift giving.
- h) Souvenirs or token gifts giving to business associates as part of an official Company visit/courtesy call must first obtain all necessary prior approval from a director in accordance with the Company's **Limits of Authority**. However, souvenirs or token gifts received from business associates shall be treated as Company property.

Any gift or hospitality that falls within the categories below is **not permissible** and must be declined:-

- i) Any gift involving parties engaged in a tender or competitive bidding exercise;
- j) Any gift that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the gift or hospitality, some expected or desirable outcome is required;
- k) Any gift that would be illegal or in breach of local or foreign bribery and corruption laws;
- l) Any gift which is lavish or excessive or may adversely affect the reputation of the Company; and
- m) Any monetary gift of cash, cash equivalent, including vouchers, coupons, shares and commission.

6.2 Hospitality and Entertainment

- 6.2.1 Pantech recognises that it is a common practise to provide modest hospitality and/or entertainment to build and foster good business relationships.
- 6.2.2 Pantech also understood that hospitality and/or entertainment could be considered to be a bribe if it is given or received with the intention of influencing someone to act improperly, or as a reward for having acted improperly.
- 6.2.3 Employees and directors of Pantech are allowed to offer or accept hospitality and/or entertainment, provided there is proper justification that such hospitality and/or entertainment activities are limited to only those individuals who have a legitimate business purpose with Pantech. The hospitality and entertainment expenses shall be **modest in value** and subject to prior approval from respective director of Pantech.

All personnel are required to exercise proper care and judgment before accepting hospitality or entertainment offered by third parties. This is to safeguard the reputation of the Company and to protect yourselves from allegations of impropriety or undue influences.

- 6.2.4 Employees and directors of Pantech are **STRICTLY PROHIBITED** from either paying for or participating in any activities which are exorbitant, illegal and immoral such as lavish/extravagant social functions not related to Pantech business activities or entertainment from a business associate (including potential business associate) during the procurement process which may cause Pantech to be perceived in an unfavourable or negative manner.
- 6.2.5 Employees and/or directors of Pantech must be present (as the host) when providing hospitality and/or entertainment. Otherwise, the expenditure shall be considered as a gift.

6.3 Donations and Sponsorships

As part of Pantech commitment to corporate social responsibilities, monetary gifts or gifts in-kind to charitable organizations and sponsorships (external parties who have no business dealings with Pantech) are allowed for a legitimate reason with the prior approval from respective director of Pantech.

7.0 POLITICAL CONTRIBUTION

Pantech does not make or offer monetary or in-kind political contributions to any political party or candidate running for political office.

8.0 FACILITATION PAYMENTS

Facilitation payments often occurs as cash payment or in any form of advantage to Public Officials or a person who has the authority to grant certification, licences, permissions or permits, in order to secure or expedite such process.

Pantech recognises that facilitation payments are considered bribes and prohibited by the laws of MACC Act 2009. As such, Pantech prohibits the receiving, requesting, giving, offering, or promising of facilitation payments of all kinds.

9.0 BUSINESS ASSOCIATES

Pantech will only do business with entities or individuals who share the same values as Pantech and will uphold Pantech principle of applying high ethical standards in our business dealings.

10.0 RESPONSIBILITIES OF DIRECTORS AND EMPLOYEES

Directors and employees of Pantech are required to comply with this Policy with the following roles and responsibilities:

- Seek clarification with the Managing Director if there is any questions about this Policy or if there is a lack of information about the required action in a particular situation.
- Always raise suspicious transactions to immediate superiors for guidance in the next course of action.
- Be alert to indications or evidence of possible violations of this Policy.
- Not to misuse their position or the name of the Company for personal advantage.

The management of Pantech reserves the right to impose severe disciplinary action including dismissal of employment or termination of the contract as the case may be subject to prosecution under the law of MACC Act 2009 should any employee breaches this Policy or implicated in any bribery and corruption-related incident.

11.0 REPORTING VIOLATION

Any employee should immediately report to any director when;

- Uncover an instance of bribery; or
- Suspect that a bribe has been, or is in the process of being, paid or received or merely discussed; and
- Receive or otherwise become aware of information which suggests that a bribe is in the process of being, paid or received or merely discussed.

No employee, director or associated person will suffer demotion, penalty or other adverse consequences for refusing to engage in or permit a bribery offence or raising concern or reporting possible wrongdoing, even if it may result in the Company losing business or suffer a disadvantage. He/she is entitled to raise concerns about violations or potential violations of this Policy in confidence and without risk of reprisal.

Pantech has adopted a Whistle Blowing Policy which provides procedures for reporting concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/has taken place/may take place in the future.

12.0 TRAINING AND AWARENESS

Pantech shall provide training and awareness programmes for all directors and employees regarding this Anti-Bribery and Corruption Policy for clear statement of conduct which is expected of every personnel.

13.0 COMMUNICATION AND PUBLICATION OF THIS POLICY

This Policy is made accessible to all employees, directors and business associates on the Company's website at <https://pantech-group.com/investor-relations/>

14.0 PERIODIC REVIEW

This Policy will be reviewed as and when required to ensure the effectiveness and compliances with the governing legislation and regulatory requirement.