



DXN HOLDINGS BHD

Registration No.: 199501033918 (363120-V)

ANTI-BRIBERY AND CORRUPTION POLICY

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1. DEFINITIONS

1.1 For the purpose of this Policy, the following definitions and interpretations shall apply in this Policy:-

Associates	<p>An external party with whom the Company has, or plans to, established some form of business relationship. This includes vendor, suppliers, contractors, sub-contractors, consultants, agents, outsourcing providers, representatives and other intermediaries who are performing work or services for or on behalf of the Company.</p> <p>Associate (in relation to a person) is defined in the MACC Act to mean the following :-</p> <ul style="list-style-type: none"> (a) any person who is a nominee or an employee of such person; (b) any person who manages the affairs of such person; (c) any organisation of which such person, or any nominee of his, is a partner, or a person in charge or in control of, or has a controlling interest in, its business or affairs; (d) any corporation within the meaning of the Companies Act 1965 [Act 125], of which such person, or any nominee of his, is a director or is in charge or in control of its business or affairs, or in which such person, alone or together with any nominee of his, has or have a controlling interest, or shares to the total value of not less than thirty per centum of the total issued capital of the corporation; or (e) the trustee of any trust, where— (i) the trust has been created by such person; or (ii) the total value of the assets contributed by such person to the trust at any time, whether before or after the creation of the trust, amounts, at any time, to not less than twenty per centum of the total value of the assets of the trust.
Bribery	<p>Bribery is defined as any action which would be considered as an offence of giving or receiving “gratification” under the MACC Act.</p> <p>In practise, this means offering, promising, giving, accepting or soliciting of an undue advantage of any value which could be financial or non-financial, directly or indirectly in violation of applicable law, as an inducement or reward for a person acting in relation to the performance of that person’s duties.</p> <p>Gratification is defined in the MACC Act to mean the following :-</p> <ul style="list-style-type: none"> (a) 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;

	<p>(b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</p> <p>(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</p> <p>(d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</p> <p>(e) any forbearance to demand any money or money's worth or valuable thing;</p> <p>(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 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</p> <p>(g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</p>
BOD	Board of Directors of DXN
CEO	Chief Executive Officer of DXN
CFO	Chief Financial Officer of DXN
Directors	Directors of DXN including independent and non-independent directors and executive and non-executive directors.
Employees	All individuals directly employed by DXN whether on permanent or temporary basis.
GHR	Group Human Resources of DXN
GIA	Group Internal Audit of DXN
Third Parties	Any individuals or organisation that an associate may come into contact with during engagement with DXN and includes actual and potential clients, customers, suppliers, vendors, business contacts, agents, advisors, government and public bodies including their advisors, representative and officials.

2. INTRODUCTION

- 2.1 DXN Holdings Bhd and its subsidiaries (collectively “**DXN**” or “**the Company**”) have established this Anti-Bribery and Corruption Policy (“**this Policy**”).
- 2.2 This Policy shall be read together with DXN’s other internal policies/ procedures/ guidelines/ manuals including but not limited to DXN’s Employee Handbook.
- 2.3 This Policy is not intended to provide answers to all questions regarding bribery and corruption, instead it is intended to provide the Directors, Employees and Associates with guide on how to prevent and detect bribery and corruption in pursuant to DXN’s zero tolerance on bribery and corruption.

3. PURPOSE

- 3.1 The purpose of this Policy is:-
 - i. To set out DXN’s responsibilities and responsibilities of the Directors and Employees to observe and uphold DXN’s stance on zero tolerance to bribery and corruption;
 - ii. To provide information and guidance on how DXN expect its Directors, Employees and Associates to conduct themselves;
 - iii. To provide guidance on how to recognize bribery and corruption and to set out the procedure on how to raise concerns on breaches of this Policy without fear of reprisal;
 - iv. To ensure DXN has adequate procedure in place to prevent and detect bribery and corruption; and
 - v. To protect DXN against the possible penalties and repercussions resulting from acts of bribery and corruption.

4. POLICY STATEMENT

- 4.1 BOD and the management of DXN takes zero tolerance approach to all forms of bribery and corruption and takes a strong stance against such acts. DXN is committed to conduct its business in honest and ethical manner, and in compliance with all applicable laws and regulations which includes compliance with the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act**”), the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any amendments or re-enactments that may be made by the relevant authority from time to time.

5. APPLICATION

- 5.1 This Policy applies to all DXN's Directors, Employees, Associates and any other person associated with DXN, unless otherwise is stated in the specific policies.
- 5.2 This Policy is also applicable to all of DXN's business dealings with commercial (private sector) and government (public sector) entities.

6. SUPPORT

- 6.1 The Directors, Employees and Associates requiring support or advice pertaining to compliance of this Policy shall consult GHR.

7. COMPLIANCE AND RESPONSIBILITIES

- 7.1 The Directors, Employees and Associates are expected to refuse to give or receive a bribe when solicited or offered one even if such refusal to give or receive a bribe will lead to monetary loss to the Company. The Company is committed to ensuring that no one including Employees to suffers from any detrimental treatment (demotion of position or penalty) for refusing to give or accept bribe.
- 7.2 The Directors and Employees shall be responsible to the following:-
- i. Be familiar with applicable requirements and directives of this Policy and communicate them to subordinates;
 - ii. Promptly record all transactions and payment accurately and in reasonable details;
 - iii. Always raise suspicious transaction or red flags transaction/situation to immediate superiors or Head of Department for guidance and next course of action; and
 - iv. Promptly report violations or suspected violations reported via the Company's whistleblowing mechanism as outlined in this Policy.
- 7.3 Compliance of the Directors, Employees and Associates with this Policy is mandatory. Any violation of this Policy shall constitute a serious misconduct or offence that warrants an action which may lead to, but not limited to, disciplinary action, dismissal of employment, review of contract, cessation of business relationship, termination of service (whichever applicable) against the offender and/or reporting to the authorities consistent with relevant laws and regulations.

8. WHAT IS BRIBERY AND CORRUPTION?

- 8.1 Corruption refers to act of abuse of position for personal gain or misuse of

- position to help others to improperly enrich themselves.
- 8.2 Bribery is the most common form of corruption and it refers to the act of corruptly giving, agreeing to give, promising, offering, soliciting, receiving or agreeing to receive any gratification. Gratification can take various forms, including monetary, non-monetary, services, favours, or any form of benefit or advantage. Bribes can be direct (e.g: Mr X give a bribe to someone) or indirect (e.g: Mr X get someone else to give a bribe to another person).
- 8.3 The MACC Act prohibits a person or a commercial organisation from giving and receiving bribes, including via person acting on behalf of the commercial organisation or its associates. It should be noted that it will be irrelevant whether the bribe was accepted or not, was given or not, as merely offering the bribe would be sufficient for an offence to be committed.
- 8.4 Bribery and corruption are punishable offences under the MACC Act. There are 4 main offences prescribed in the MACC Act :-
- i. Soliciting/ receiving gratification (e.g; A director requested and received a bribe of RM1,000,000-00 in cash from a consultant in favour of promising the consultant appointment as the company's consultant for a project);
 - ii. Promising/ offering/ giving gratification (e.g; A company's employee gave RM150,000-00 to government official with the intention to speed up his company's permit application);
 - iii. Intending to deceive (false claim) (e.g; A supplier was charged for making false claim for supply of computers. The supplier was paid full price based on his invoice that he had supplied all computers, but in truth the supplier had only supplied portion of the computers to the company).; and
 - iv. Using office or position for gratification (e.g; An employee used his influence as head of procurement to award tender to a company which is owned by his wife).
- 8.5 Under Section 24 of the MACC Act, a person who commits an offence shall on conviction be liable to:-
- i. Imprisonment for a term no exceeding 20 years; and
 - ii. A fine of not less than 5 times the sum/value of the gratification, where such gratification is capable of being valued or is a pecuniary nature, or RM10,000-00, whichever higher.
- 8.6 Under Section 17A of the MACC Act, a commercial organisation commits an offence if a person associated with the commercial organisation offers gratification to a Third Parties in order to obtain or retain business or an advantage for the commercial organisation. A person is associated with the commercial organisation if he is a director, partner or an employee of the commercial organisation or he is a person who performs services for or on behalf of the

commercial organisation.

Under Section 17A of the MACC Act, a commercial organisation who commits an offence shall, on conviction, be liable to:

- i. A fine of not less than 10 times the sum/value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is a pecuniary nature, or RM1,000,000-00, whichever higher; or
- ii. Imprisonment for a term not exceeding 20 years; or
- iii. Both

8.7 If a commercial organisation is found to have committed an offence under Section 17A of the the MACC Act, a person:-

- i. Who is the commercial organisation's director, officer or partner; or
- ii. Who is concerned with the management or affairs of the commercial organisation

at the time of the commission of the offence, is deemed to have committed that offence unless that person proves that the offence was committed without his consent and that he exercised due diligence to prevent the commission of the offence.

9. GIFTS, ENTERTAINMENT AND HOSPITALITY

9.1 DXN adopts a strict "No Gift" policy, subject to few exceptions. The Directors and Employees shall not solicit or accept or give or offer any gifts from or to Associates or any Third Parties that may have direct or indirect business interest or relationship (including any potential interest or relationship) with the Company, and at all times shall observe the following guiding principle :-

- i. **Transparency.** The Directors or Employees should be comfortable to disclose to its colleagues the gifts, entertainment or hospitality offered/received.
- ii. **Recipients.** The Directors or Employees should only offer or accept gifts, entertainment or hospitality from those who will not put the Directors or Employees in position of conflict.
- iii. **Ability to influence.** The gifts, entertainment or hospitality must not be offered or accepted when there is any pending business decision related to the offer or recipient of such gifts, entertainment or hospitality.
- iv. **Value.** The gifts, entertainment or hospitality must be modest and not so frequent as to place the recipient under any obligation.

- v. **Purpose.** The intention behind the gifts, entertainment or hospitality must not be interpreted or be perceived as to gain any unmerited advantage.

Receiving Gifts

- 9.2 If Directors or Employees were offered or have received a gift, the Directors or Employees are required to politely return the gift with a note explaining the Company's "No Gift" policy.
- 9.3 If Employees have received the gift including gift that were received anonymously, or where it is not possible to refuse or return the gift from Associates or Third Parties, Employees are required to report to GHR and for Directors to report to BOD and to inform GHR, and record the gift received detailing the following :-
 - i. The details of the gift;
 - ii. The estimate value of the gift;
 - iii. The occasion such gift were given;
 - iv. The details of recipient of the gift (name, position and department); and
 - v. The details of giver of the gift (name, position and nature of past/ current/ future dealing with the Company).
- 9.4 BOD (if the gift is reported by Directors) or GHR (if the gift is reported by Employees) shall decide if the gift can be accepted or rejected and to determine the treatment of the gift.
- 9.5 If Directors or Employees are unsure or doubtful of the appropriateness of the gift offered or given by Associates or Third Parties, Employees should either decline the offer or consult GHR or if Directors, to consult BOD.

Offering Gifts

- 9.6 In general, gifts to Associates or Third Parties shall only be given mainly as business courtesy. The Directors and Employees are not allowed to offer or give any gifts to Associates or Third Parties if offering any gifts shall be unsolicited and affecting or be perceived as affecting business judgment.
- 9.7 Gifts to Associates or Third Parties shall only be given after Employees obtain approval from GHR. In the case where the Directors are providing any gift to Associates or Third Parties, the Directors must obtain prior consent from BOD and to inform GHR.
- 9.8 All expenses incurred to provide the gift must be properly recorded detailing the following:-

- i. The details of the gift;
- ii. The estimate value of the gift;
- iii. The purpose and occasion such gift were given;
- iv. The details of recipient of the gift (name, position and nature of past/ current/ future dealing with the Company); and
- vi. The details of giver of the gift (name, position and department).

Entertainment and Hospitality

- 9.9 DXN recognises that occasional entertainment and hospitality at modest level is legitimate way to foster good business relationship and is common practise in business environment. Entertainment and hospitality may include but not limited to meals, tickets to entertainment, social or sports events.
- 9.10 It is important for Directors and Employees to exercise proper care and judgment before receiving or offering any entertainment and hospitality to Associates or Third Parties. The Directors and Employees shall always keep in mind to exercise proper care and judgment in order not to be perceived that the receiving or offering any entertainment or hospitality is in response to or in anticipation of or to influence any business judgment for any advantage or benefit in return to the Company. This is to safeguard the Company, Directors, Employees, Associates and Third Parties from any impropriety or undue influence which may give rise to a risk of bribery.

Receiving Entertainment and Hospitality

- 9.11 In general, Directors and Employees shall not solicit entertainment and hospitality from Associates or Third Parties. In the event Directors or Employees finds that the entertainment or hospitality offered or given by Associates or Third Parties is beneficial to foster healthy business relationship and in modest level, then Employees may pursue the same after reporting to GHR, or for Directors, after reporting to BOD and informing GHR, and to details the following :-
- i. The details of the entertainment or hospitality;
 - ii. The value of the entertainment or hospitality;
 - iii. The occasion of such entertainment or hospitality were given;
 - iv. The details of recipient of the entertainment or hospitality (name, position and department); and
 - v. The details of giver of the entertainment or hospitality (name, position and nature of past/ current/ future dealing with the Company).
- 9.12 After the entertainment or hospitality has been reported as mentioned above, BOD and GHR (whichever applicable) respectively shall decide whether to accept, decline or any other action deemed appropriate, and to further determine the treatment of the entertainment and hospitality offered.

- 9.13 If Directors or Employees are unsure or doubtful of the appropriateness of the entertainment or the hospitality offered or given by Associates or Third Parties, Employees should either decline the offer or consult GHR or if Directors, then to consult BOD.

Offering Entertainment and Hospitality

- 9.14 Employees must obtain prior approval from GHR prior to offering any entertainment or hospitality to Associates or Third Parties to foster healthy business relationship. In the event where the Directors are offering the entertainment or hospitality to Associates or Third Parties to foster healthy business relationship, the Directors shall conform to guidelines specified by BOD and keep GHR notified of the same.
- 9.15 All expenses incurred in providing the entertainment or hospitality must be properly documented as follows:-
- i. The details of entertainment or hospitality;
 - ii. The value of entertainment or hospitality;
 - iii. The purpose and occasion of such entertainment or hospitality
 - iv. The details of recipient of the entertainment or hospitality (name, position and nature of past/ current/ future dealing with the Company); and
 - v. The details of giver of the entertainment or hospitality (name, position and department).

10. POLITICAL DONATIONS, CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS

Political donations and sponsorships

- 10.1 Any political donations or sponsorships (in any form including monetary or goods) to any political party may be made by or on behalf the Company but such is not encouraged in all circumstances, and such political donations or sponsorships may be done only with prior approval of CEO with rationale to be shared with and agreed by the BOD subject always to the prevailing laws, bylaw, and regulations. However, such political donations or sponsorships should never be made in exchange for any business implications to the Company, whether it is to obtain a business, or to obtain some form of advantage to the business of the Company. The Directors and Employees in their personal capacity are not prohibited from making personal political donations or sponsorships (in any form including monetary or goods) to any political parties in their personal capacity and shall expressly make clear that such political donations or sponsorships are made under the Directors and Employees personal capacity and in no way associated with DXN.

Charitable contributions and sponsorships

- 10.2 As general principle, to avoid any situations where there could be actual or perceived conflict of interest, DXN shall not make any charitable contributions or sponsorships (in any form including monetary or goods) to Associates, Third Parties, government authority or any entities directly related to government authority or for any events of Associates, Third Parties, government authority or any entities directly related to government authority if:-
- i. DXN is expecting to apply, obtain or renew any licenses/permits from the government authority in the near future; or
 - ii. DXN has just applied, obtained, renewed any licenses/permits from the government authority for DXN's business activities in the recent past; or
 - iii. DXN is expecting or just had dealings with the Associates, Third Parties or entities directly related to government authority.
- 10.3 However, should charitable contributions or sponsorships are to be made to the contrary of the preceding item in a rare or selective situation without favoritism or in exchange for any business implications to the Company whether it is to obtain a business or to obtain some form of advantage to the business of the Company, then prior approval from CEO and CFO is required subject always to the prevailing laws, bylaw, and regulations.

11. DEALINGS WITH ASSOCIATES

- 11.1 The Company could be liable for acts of Associates, as such, the Company is committed to promoting compliance with this Policy by Associates.
- 11.2 DXN requires that all Employees to conduct the requisite due diligence of any dealing with Associates that DXN engage, appoint, contracts with or hires to carry out any external functions on behalf of the Company, which includes without limitation to agents, consultants, contractors, subcontractors, resellers, customs brokers, business contacts, professional advisors, joint venture partners, any other parties supplying goods and services to DXN, any other entity within the definition of "Associate" in the MACC Act. Some high risk transaction will require further due diligence which may require additional investigation.
- 11.3 The Company are to ensure that any payments made are for actual service provided or contractual obligations performed and not for payments that can be tied to giving any form of gratification for improper purposes.
- 11.4 DXN expects Associates to have anti-bribery and corruption policies in place within their organisation or part of their work ethics which are consistent with this Policy.

- 11.5 In DXN's effort to ensure compliance of this Policy, DXN will be implementing anti-bribery and corruption clause in its agreements and contracts which gives right to the Company to take any action it deems fit including to cease any business relationship or void the agreements and contracts if the Company finds that the other contracting party has committed or have reasonable reason to believe that it will be committing act of bribery or corruption which relates to the service in the agreements and contracts.
- 11.6 DXN has zero tolerance of Associates who do not conduct themselves in accordance to the principles of this Policy where it brings disrepute or legal implications to DXN. Any non-compliance with the principles of this Policy by the Associates may lead to the review and/or termination of any agreements and contract with such parties.

12. DEALINGS WITH GOVERNMENT OFFICIALS/ FOREIGN OFFICIALS

- 12.1 DXN recognises that the practice of offering 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 situation.
- 12.2 When dealing with public officials, Directors and Employees should ensure that any giving or receiving of gifts, entertainment or hospitality do not relate to, in any form whatsoever, the public official's official dealings or public duty. At all material times, Directors and Employees are to ensure compliance with laws of their respective jurisdictions, and the higher standard will be applicable to Employees to avoid non-compliance of any laws on anti-bribery which may be applicable to the Company as a whole.
- 12.3 Any offering or giving gifts, entertainment or hospitality by Directors or Employees to public officials is for circumstances where it is to reasonably facilitate genuine promotional, business or educational meetings and shall be made in compliance with item 9.11 and 9.12 (for receiving) and item 9.14 and 9.15 (for offering) above.
- 12.4 Any offering or giving gifts, entertainment or hospitality by Associates to public officials are for circumstances where it is to reasonably facilitate genuine promotional, business or educational meetings. Any offering or giving gifts, entertainment or hospitality is subject to the approval of GHR to be made via DXN's Employees that the Associates liaise with.
- 12.5 Any gifts, entertainment and 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.

13. FACILITATIONS PAYMENTS AND KICKBACKS

- 13.1 DXN adopts a strict policy of disallowing the use of facilitation payments or kickbacks of any kind in its business. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action by an official. Kickbacks are typically payments made in return for a business favour or advantage.
- 13.2 The Directors, Employees and Associates must not offer, promise, give, request, accept or receive anything that may be regarded as facilitation of payments. Any Directors, Employees or Associates who receive or are requested to make such facilitation payments or kickbacks must immediately report to GHR, or if Directors then to report to BOD and to inform GHR, or if Associates then to report to DXN's Employees that the Associates liaise with for further investigation and determination of next course of action.
- 13.3 The Directors, Employees and Associates shall insist on receipt or an official record of payment for every monetary transaction.

14. CONFLICT OF INTEREST

- 14.1 Conflict of interest refers to a situation whether actual, potential or perceived may give rise to a risk of corruption. The Directors, Employees or Associates should be transparent and shall declare if there is or potential to be any conflict of interest.
- 14.2 A conflict of interest for the Directors/ Employee is a situation where the position or responsibilities of the Directors/ Employees within the Company presents an opportunity for the Directors/ Employees or someone close to the Directors/ Employees to obtain personal gain or benefit, or where there is scope for the Directors/ Employees to prefer their personal interest or those close to the Directors/ Employees, above the Directors/ Employees duties and responsibilities owed to the Company.
- 14.3 A conflict of interest for Associates is a situation where the Associates' duties and responsibilities owed to the Company presents an opportunity for the Associates or someone close to the Associates to obtain personal gain or benefit, or where there is scope for the Associates to prefer their personal interest or those close to the Associates' above the duties and responsibilities owed to the Company.
- 14.4 A person with conflict of interest should abstain from being involved in decision making within the Company where that conflict of interest arises.

15. DECLARATION OF CONFLICTS OF INTEREST

The Directors and Employees

- 15.1 The Directors and Employees are required to execute declaration of conflicts of interest by filing up Conflict of Interest Declaration Form provided by GHR (which may be revised from time to time), or any other form as provided by GHR from time to time. The Directors and Employees are also required to fill in the Conflict of Interest Declaration Form if there is any change of the situation which will create conflict of interest.
- 15.2 The Directors and Employees are required to execute declaration of any conflicts of interest on an “*ad hoc*” basis if they become aware of any conflict, regardless of whether such conflict is an actual or potential conflict of interest.
- 15.3 If the Directors or Employees are unsure whether the situation of conflict is acceptable or manageable, Employees shall consult GHR, and Directors shall consult the BOD.

Associates

- 15.4 Associates are required to declare any conflict of interest prior to establishing or entering into a relationship with the Company by declaring the conflict of interest and to notify the Employees of the Company that the Associates liaise with. Existing Associates must declare any conflict of interest in the same way upon this Policy being disseminated to them.
- 15.5 If the Associates are unsure of whether there is an actual or potential conflict of interest, the Associates is advised to make a declaration to the Employees of the Company that the Associates liaise with.

16. RED FLAGS

- 16.1 This list is not exhaustive and all Directors, Employees and Associates should be alert to other indicators that may raise a suspicion of corrupt activity. The Directors, Employees and Associates must report to the reporting mechanism specified in item 17.19 if any of the red flags transaction/ situation is encountered.
- 16.2 The following is a list of red flags that may indicate the possible existence of corrupt practices and for illustration purpose only:-
 - i. Request an unexpected additional fee or commission to “facilitate” a service;
 - ii. When additional fee or commission payment is requested for carrying out normal work;

- iii. Payments to be made through third party account or to account in geographic location which is different from where the Third Parties resides or conduct business;
- iv. Demand of lavish gifts, entertainment or hospitality before commencing or continuing contractual negotiations or provisions of service;
- v. Refusal to divulge adequate information during due diligence procedure;
- vi. Private meetings requested by Associates or Third Parties hoping for tender for contracts;
- vii. Abusing decision making process by not following company policies, procedures or guidelines;
- viii. Unexplained preferences for certain contractors, vendors, suppliers and refuse to put term of engagement into writing;
- ix. Invoices rendered or paid are in excess from actual contractual amount;
- x. Associates or Third Parties engages in or has been accused to engage in any improper business practices;
- xi. Associates or Third Parties has a reputation for paying bribes or requiring bribes to be paid to them or has a reputation of “special relationship” with government officials, foreign officials or any other entity;
- xii. Associates or Third Parties insist on receiving commission or fee payment before committing to sign up a contract with the Company or before carrying out government function or process for the Company;
- xiii. Associates or Third Parties request that payment is made to itself or any party “overlook” potential legal violations;
- xiv. Associates request or requires the use of an intermediary such as agent or consultant that is not typically familiar, used or known by the Company;
- xv. Associates or intermediary request fee that is higher than the market level for comparable work without substantive justification;
- xvi. Where expense claim and report or petty cash payments are made and contain insufficient documentation or evidence;
- xvii. Associates who operates business that seems inappropriate for the type of work being undertaken or ill equipped to undertake the work;
- xviii. When the intermediary are introduced into contract to carry out ill-defined works;
- xix. Unnecessary request to or for travel which includes family members; or
- xx. Refusal to provide written declaration about assurance of compliance of anti-bribery and corruption policy or declaration of conflict of interest.

17. WHISTLEBLOWING

- 17.1 Whistleblowing refers to act of disclosure by a person, usually an employee, in an enforcement agency, government agency or private enterprise or even members of the public to those in authority either within the organization or at the discretion of the whistleblower to another enforcement agency, of any acts of mismanagement, corruption, illegality, or any other wrongdoing carried out by an individual or group of individuals within the organization. Such an act by the said

individual(s) may be punishable by any legislated law of Malaysia.

- 17.2 For the purposes of this Policy, all such acts shall come to be known as improper conduct as defined under the Whistleblower Protection Act 2010 (WP Act) as any conduct which if proved, constitute a disciplinary offence or a criminal offence.
- 17.3 The Company encourage its Directors, Employees, Associates, Third Parties and public to disclose (whistleblow) any improper conduct as defined under the WP Act, which has come to their knowledge and the Company will provide protection (i) of confidential information to the extent reasonably practicable and (ii) against any adverse and detrimental actions for its Directors, Employees, Associates, Third Parties and public who report allegations of improper conduct. A disclosure of improper conduct may be made if the person based on his reasonable belief that any person has engaged, is engaging or is preparing to engage in an improper conduct.
- 17.4 The Company shall ensure that all such reports of improper conduct are thoroughly investigated and suitable action is taken where necessary. The phrase improper conduct although defined by WP Act shall also include but not limited to the following:
- i. Which is an offence or a breach of any legislated law or this Policy;
 - ii. Relating to unauthorized use of DXN's funds detrimental to its interests;
 - iii. Which involves fraud and corruption;
 - iv. Which involves abuse of power and position for personal gain or causes detriment to the organization;or
 - v. Which involves deliberation of withholding information or unauthorized sharing of information to detriment of DXN.
- 17.5 The whistleblower covered by this Policy are Directors, Employees, Associates, Third Parties and members of the public (in so far as related to the services of DXN).
- 17.6 Employees who has made report in good faith is protected against adverse employment actions or detrimental actions which will affect his/her livelihood (e.g. discharge, demotion, suspension, harassment or other forms of discrimination) for reporting improper conduct. Anyone engaging in retaliatory conduct against the whistleblowing Employees, on conviction will be subjected to enforcement action under Section 10 (6) of the WP Act as follow:-
- i. Fine not exceeding Ringgit Malaysia One Hundred Thousand (RM100,000-00); or
 - ii. Imprisonment for term of not exceeding fifteen (15) years; or
 - iii. Both.

- 17.7 Employees or any other party who lodge the report will be protected even if the report made proved to be incorrect or unsubstantiated. The revocation of whistleblower protection can only be made if the Company are of the opinion the conditions specified under Section 11 (1) of the WP Act are met namely:
- i. The whistleblower himself has participated in the improper conduct disclosed;
 - ii. The whistleblower willfully made in his disclosure of improper conduct a material statement which he knew or believed to be false or did not believe to be true;
 - iii. The disclosure of improper conduct is frivolous or vexatious;
 - iv. The disclosure of improper conduct principally involves questioning the merits of government policy, including policy of a public body;
 - v. The disclosure on improper conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action; or
 - vi. The whistleblower, in the course of making the disclosure or providing further information, commits an offence under the WP Act.
- 17.8 All reports and identity of the whistleblower will be treated in a confidential and sensitive manner. A report will only be disclosed to those who are authorized to carry out the investigation and matters relating to the report. The identity of the whistleblower shall always be withheld in confidential to the extent reasonably practicable and the whistleblowers shall be informed where a referral to the higher management or appropriate relevant authority is made. Nevertheless, the decision to make an anonymous report may result in the whistleblower not being conferred protection under the WP Act.
- 17.9 The Company encourages the whistleblower to state his/her name to their respective report, whenever possible. Reports lodged anonymously are much less credible but will nevertheless, be considered at the discretion of the Company. In exercising this discretion, the factors to be taken into account includes the following:
- i. The seriousness of the issues raised in the report;
 - ii. The credibility of the report; and
 - iii. The likelihood of confirming the allegation from attributable sources.
- 17.10 The decision of the Company on this matter shall be final. All deliberations of the Company on any whistleblower allegations are strictly to be minuted by GHR.
- 17.11 The GHR shall maintain records of all reports and supporting documentations on investigations of any reports lodged by whistleblower. These records are to be kept by GHR.
- 17.12 For Employees who makes a report in good faith, which is not substantiated and confirmed by subsequent investigations, no action will be taken against the

- Employees. In making a report, Employees must exercise due care and proper judgement to ensure the accuracy of the report lodge and information given.
- 17.13 If the Company discover or find out the Employees makes a mala-fide report, disciplinary action may be taken against such Employees. On the other hand, if Associates makes a mala-fide report, the Company will not hesitate to lodge a police report and/or to take other necessary actions deemed appropriate which may include cessation of business relationship, review or termination of agreement with the Associates.
- 17.14 GHR is solely authorised to investigate and address all whistleblowing cases reported to them. The Head of GHR will be responsible to monitor and report all cases investigated pursuant to this Policy to BOD. The identity of the whistleblower at all times shall be kept in strict confidence to the extent reasonably practicable.
- 17.15 In the event there is any report of improper conduct against GHR, the report shall be handled by CFO or any person appointed by CFO in order to prevent any conflicts of interest or biasness in the said investigation.
- 17.16 In the event the alleged offence is punishable under a legislation enforced by another agency, the said whistleblowing report would then be forwarded to the relevant agency with the concurrence of the whistleblower or GHR (where the complainant is anonymous). If the outcome of investigations by GHR has revealed that there were individuals connected to any company, business or any entity who by utilizing any Employees breached any legislated law enforced by DXN, notification should be made immediately to the CFO who may in his discretion order enforcement action against the parties concerned. The identity of the whistleblower shall be protected at all times.
- 17.17 The reporting guide for a whistleblower report (only the nature of the report whilst the identity of the whistleblower will be safe guarded) are as set out below:
- i. Regarding Employees: report to head of GHR;
 - ii. Regarding head of GHR, HOD, Key Management: report to CFO;
 - iii. Regarding CFO or Directors: report to any of BOD; and
 - iv. Regarding Associates, Third Parties, DXN Distributors or Service Centers: report to GHR.
- 17.18 The Directors, Employees, Associates, Third Parties and public are encouraged to make report via the form provided by GHR which may be revised from time to time and is available at DXN official website ([click here](#) to download the form) or use the open format which shall contains the information such as background and history of the report (relevant dates, time, names, etc).
- 17.19 The report, whether made on prescribed form or on open format, should be

submitted in a sealed envelope and the whistleblower may e-mail his/her complaint to whistleblowing_abc@dxn2u.com if he/she so wishes.

18. COMMUNICATION, AWARENESS AND TRAINING

- 18.1 DXN adopts zero tolerance stance on bribery and corruption, and this Policy must be communicated to the Directors, Employees and Associates and is also available at DXN's official website. The Directors, Employees, and Associates of DXN must read, understand, comply with and declare their acceptance and compliance with this Policy. All Associates shall ensure their employees who have direct dealing with the Company have adequate training in order to comply with this Policy.
- 18.2 The Employee Handbook which is disseminated to Employees also specified detailed out DXN's zero tolerance stance on bribery and corruption and contains Code of Conduct for Employees' compliance.
- 18.3 DXN shall conduct awareness programmes for all Employees to refresh their awareness of anti-bribery and corruption measure and to continuously promote integrity and ethics among its Employees.
- 18.4 Training on this Policy forms parts of the induction/ orientation process for new Employees. All existing Employees will receive regular and relevant training at intervals to be determined by the Company.

19. RECORD KEEPING

- 19.1 The Company must keep the financial records and have appropriate internal controls in place including financial and organisational checks and balances over the Company's accounting and record keeping practices which will evidence the business reason for payments made to Associates or Third Parties.
- 19.2 The Directors and Employees must ensure that all expenses relating to gifts, entertainment and hospitality incurred are properly recorded in accordance with the Company's expense policy.
- 19.3 All accounts, invoices and records relating to dealing with Associates or Third Parties must be maintained with strict accuracy. No accounts shall be kept "off-book" to facilitate or conceal improper payments.
- 19.4 As to ensure the transaction are executed in accordance with appropriate authorization or Company guidelines, all accounts, invoices and record relating to Associates or Third Parties shall be kept by the relevant department for at least eleven (11) years from date transaction is made or any other duration as may be

- required under the relevant law.
- 19.5 Information relating to conflicts of interest situation as declared by the Directors, Employees or Associates shall be compiled and kept by the relevant department.
- 19.6 GHR shall keep all forms and reports received pursuant to this Policy and shall maintain all records of training conducted for and in conjunction with this Policy.

20. AUDIT, REVIEW AND CONTINUOUS IMPROVEMENT

- 20.1 Audit process will be conducted from time to time to review the compliance of the Anti Bribery and Corruption program.
- 20.2 Annual reviews on the anti bribery and corruption program and risk assessment will be performed by GHR to assess the performance, compliance, efficiency and effectiveness of this Policy. GHR shall report their findings and recommendation for improvement to BOD. BOD shall review and endorse the report and provide recommendation to improve the effectiveness of this Policy.
- 20.3 DXN is committed to continually improving its policies and procedure relating to anti-bribery and anti-corruption. DXN shall review this Policy every two (2) years, taking into accounts relevant legal developments and evolving industry standards.

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