



DYNACIATE GROUP BERHAD

Registration No. 200601012544 (732294-W)

ANTI-BRIBERY AND CORRUPTION POLICY

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1. INTRODUCTION

Dynaciate Group Berhad (hereinafter referred as “**DGB and/or the Company**”) and its subsidiaries (“**Group**” or “**DGB Group**”) are committed to conduct business with integrity. This means the Group shall avoid any practices of bribery and corruption of all forms in the Company’s daily operations in line with the spirit of Malaysian Anti-Corruption Commission act 2009 (“**MACC Act**”) and all its subsequent amendments thereon.

The Company’s Anti-Bribery and Corruption Policy (hereinafter referred to as the “**Policy**”) is issued pursuant to sub-section (5) of section 17A of the MACC Act and elaborate upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The scenarios provided within this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances relating to bribery. Compliance to the Policy is mandatory and will be monitored with a principle-based approach.

2. DEFINITIONS

“**BOD**” means the Board of Director for DGB;

“**Bribery and Corruption**” referred herein this Policy shall means any action which would be considered as an offence of giving, promises, offers, solicits, receiving or agrees to receive for himself or for any other person any ‘gratification’ under the MACC Act.

“**Business Associate(s)**” means an external party with whom DGB has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors;

“**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;

“Donation and Sponsorship” means charitable contributions and sponsorship payments made to support the community. Examples include sponsorship of educational events, supporting NGOs, and other social causes;

“Exposed Position” means a staff position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving: procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the Company has identified as vulnerable to bribery;

“Facilitation payment” A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function;

“Gratification” is defined in the MACC Act to mean the following:

- 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;
- b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) any valuable consideration of any kind, any 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 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
- 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).

“HOD” means the Head of Department;

“Hospitality” means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as Company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included;

“HRD” means the Human Resource Department;

“Legal & Compliance Department” means the Group Legal & Compliance Department;

“Top-level Management” under this policy made reference to the Group’s Employee Handbook which include directors, chief operating officer, chief financial officer, general manager, deputy general manager and financial controller.

References to "you" in this Policy refer to any person to whom this Policy applies.

3. OBJECTIVE

The Policy is intended to provide all Top-Level Management, employees and Business Associates with a basic guideline on how DGB combats Bribery and Corruption in furtherance of the DGB Group's commitment to lawful and ethical behavior at all times. Some of the guidelines are designed to prevent situations in which bribery and corrupt practices may take root.

4. SCOPE

The Policy is intended to apply to all Top-Level Management including non-executive directors and employees except as otherwise stated in this Policy. DGB also expects all the Business Associates and others performing work or services for or on behalf of the Company to comply with the relevant parts of the Policy in the course of business. Directors and employees of the DGB Group shall be referred to as "Officers" hereon. Where more specific references are used (such as "Employee(s)"), the more specific references is intended.

Additionally, this Policy applies equally to the Group's business dealings in Malaysia and overseas whether with commercial/private sector and/or government/public sector entities, and includes interactions with their directors, employees, agents and other appointed representatives at all levels.

5. ANTI-BRIBERY AND CORRUPTION POLICY

5.1 DGB has adopted a zero-tolerance policy against all forms of Bribery and Corruption. It is our policy to conduct all of our business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter Bribery and Corruption.

5.2 To address these risks of Bribery and Corruption, DGB has taken the following steps:-

- (i) Implement an anti-corruption and bribery policy;
- (ii) Perform corruption risk assessment on our operations and review findings;
- (iii) Take steps to implement training programs for all individual operating in areas of the organization that are identified as high risk; and
- (iv) Regular review and update to this Policy.

5.3 For better understanding of what constitute breach of this policy, a list of examples of prohibited Bribery & Corruption activities are provided below which are not intended to be exhaustive and for illustrative purposes only:-

- (i) Offering or giving a bribe (section 17(b) of the MACC Act)
You offer a potential customer tickets to a major sporting event, but only if they agree to do business with us. This would be an offence as the offer was made to gain an improper commercial and contractual advantage. The Company may also be found to have committed an offence because the offer has been made improperly to obtain business for us. It may also be an offence for the potential customer to accept the offer.
- (ii) Soliciting or receiving a bribe (section 16 & 17(a) of the MACC Act)
A supplier gives your cousin a job, but makes it clear that in return they expect you to use your influence in our organization to ensure we continue to do business with them. It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain an improper personal advantage.
- (iii) Bribing a foreign official
You arrange to pay an additional payment to a foreign official to speed up an administrative process such as. The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because

it is made to gain a business advantage for us. The Company may also be found to have committed an offence.

(iv) Offering money to external Auditor

During DGB's annual statutory financial audit, you are in charge of preparing the financial statements to be submitted to the external auditor for their review and verification. The external auditor then discovered a number of discrepancies, including unexplained transactions. You then offered a sum of money to the external auditor to turn a blind eye and to not report it. This amounts to clear violation of this policy. Your offer of money to the external auditor is a bribe. You will be subject to disciplinary action and your employment may be terminated.

(v) Contribution to Politician/ Political Party

You received a request from a local politician requesting for cash donation for their election campaign and you have taken company's fund to contribute. DGB does not contribute cash or in-kind to political parties, party officials, or candidates for political office. Since the local politician is requesting the use of DGB's resources for his election campaign, you should politely decline and inform them of our position on political donations.

6. "NO GIFT" POLICY

6.1 We adopt a "No Gift" policy. This means that Officers, including their family members (whether in the company or outside of the company) are prohibited from directly or indirectly, giving and receiving gifts subject to certain limited exceptions as outlined under Clause 6.3 below.

6.2 It is the responsibility of the Officers to inform all the Business Associates involved in any business dealings with the Company that the Company practices a "No Gift Policy" and to request the for the Business Associate's understanding for and adherence with this policy.

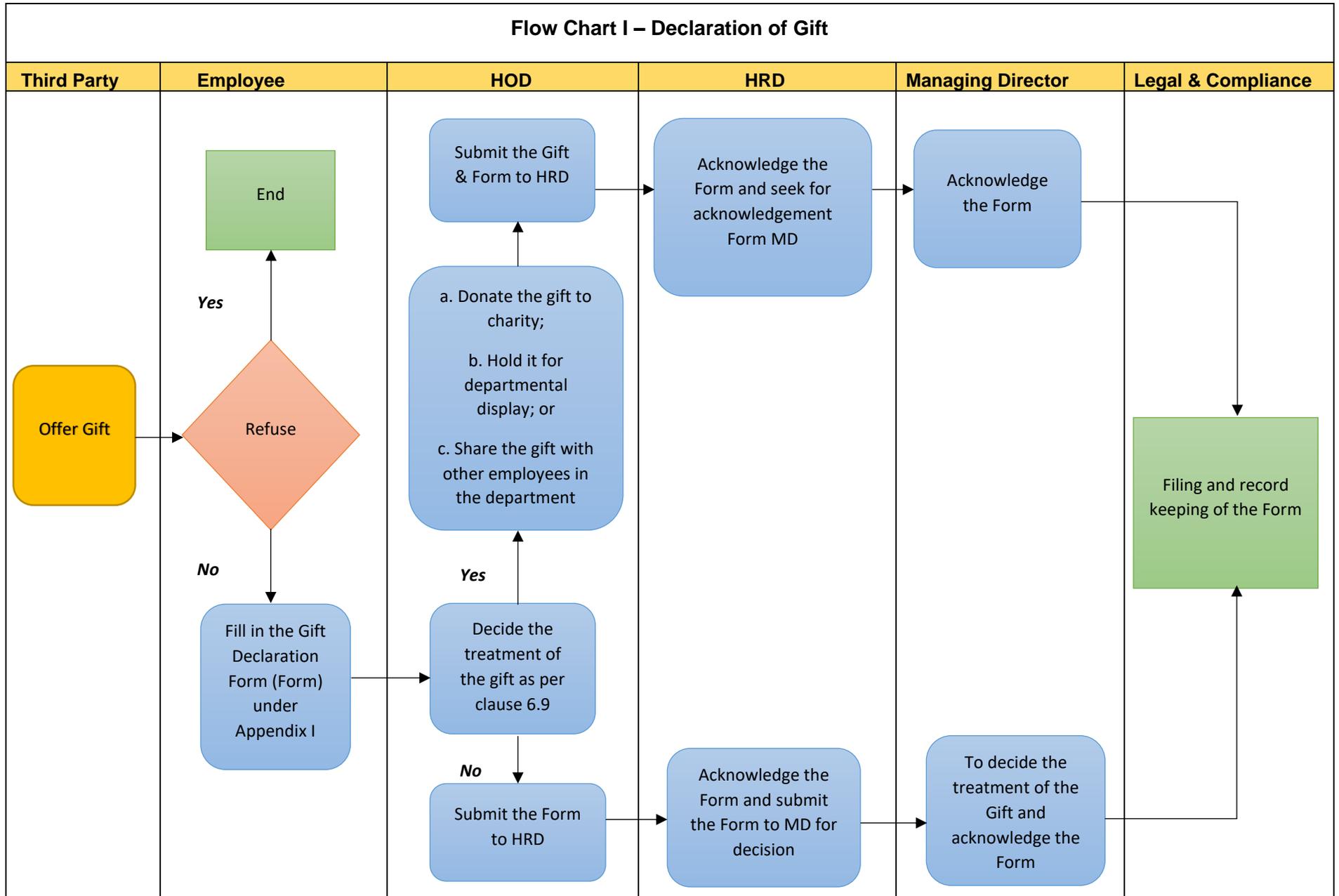
- 6.3 Under very limited circumstances, the Company may allow Officer to give and /or accept normal and appropriate gestures of hospitality, goodwill or gift as long as the giving or receiving of gifts meets the following requirements:
- (i) It is not made with the intention of influencing the party of whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favors or benefits;
 - (ii) It is not made with the suggestion that a return favor is expected;
 - (iii) It is in compliance with local law;
 - (iv) It is given in the name of the company, not in an individual's name;
 - (v) It does not include cash or a cash equivalent (e.g. a voucher or gift certificate);
 - (vi) It is given/received openly, not secretly;
 - (vii) It is not selectively given to a key, influential person, clearly with the intention of directly influencing them;
 - (viii) It is not offer to, or accepted from, a government official or representative or politician or political party, without the prior approval of the Top-level Management;
 - (ix) The gift is exchanged at a company-to company level (e.g. for official events or launches);
 - (x) The gift is a token of appreciation at an official function or public event (e.g. door gifts at conferences, open house); and/or
 - (xi) The gift is given as part of DGB's Corporate Social Responsibility ("CSR") program.
- 6.4 Officer shall obtain written approval from the Managing Director before proceed to purchase the gift. Should no approval be obtained for purchasing of such gift, the Company shall have the right not to reimburse the Officer for the purchased of the gift. Officer shall fill up the "**Gift Purchase Form**" as append herein as Appendix I.

- 6.5 Example of gift which are allowed by DGB are as follow: -
- (i) Exchange of gifts from company-to-company for an official company visit/courtesy call and thereafter said gift is treated as company property;
 - (ii) Gifts from company to external institutions or individuals in relation to the company's official functions, events and celebrations (e.g. Opening of new branch or new office);
 - (iii) Corporate gift bearing the DGB's logo (e.g. t-shirts, pens, diaries, calendars) that are given out equally to members of the public, delegates, customers, partners and key stakeholders who attend conferences and exhibitions or training, and deemed as part of the company's brand building or promotional activities; and are given transparently and openly, with the implicit or explicit approval of all parties involved.
- 6.6 If any Officer or the Officer's family members receive a gift, from a Business Associate or other parties engaged in business with DGB, the Officer must first refuse the gift and if the Officer is unable to do so, Clause 6.7 to Clause 6.10 shall be applicable in this situation.
- 6.7 If the Officer is unable to refuse, he or she must then fill in the "**Gift Declaration Form**" append herein as Appendix II as reference and submit the gift with the form to HOD immediately. The HOD shall then determine the treatment of the gift in accordance with Clause 6.10. In the event, the HOD is unable to decide the treatment of the gift, he or she shall send the gift along with the Gift Declaration Form to HRD. HRD shall seek decision from the Managing Director on the treatment of the gift. *Please refer to Flow Chart 1 for further information.*
- 6.8 In the event the HOD is the recipient of the gift, he or she must declare the gift immediately and the Managing Director shall determine the treatment of the gift in accordance with Clause 6.10. In the event any of the directors is the recipient of the gift, he or she shall declare the gift at the Board Meeting, and the Board shall decide the treatment of the gift in accordance with Clause 6.10.

- 6.9 Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then clearly the HOD cannot approve the acceptance of said gift. In this situation, the gift must be politely returned with a note of explanation about DGB's "No Gift" policy.
- 6.10 Subject to clause 6.3, in the event the HOD or Managing Director approves the acceptance of the gift, he or she must also determine the treatment of the gift whether to:
- (i) donate the gift to charity; or
 - (ii) hold it for departmental display; or
 - (iii) share the gift with other employees in the department; or
 - (iv) however the Top-Level Management deem fit.
- 6.11 If the Officer is unsure about the gift policy, he or she should consult the HRD or Legal & Compliance Department for advice.

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Flow Chart I – Declaration of Gift



7. DONATION, SPONSORSHIPS AND POLITICAL CONTRIBUTIONS

- 7.1 Donations and Sponsorship in the form of charity may be permissible depending on the circumstance but should be made directly to an official entity and be able to be disclosed publicly when required to.
- 7.2 Officer needs to be certain that Donation and Sponsorship to foreign-based charities or beneficiaries are not disguised illegal payments to government officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.
- 7.3 Officer must ensure that all Donation and Sponsorship are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of this policy.
- 7.4 To ensure that charitable contributions, Donations and Sponsorships made on behalf of DGB are not used to circumvent this policy, all charitable contributions, Donations and Sponsorships require prior written approval of the Managing Director. Failing which, the Company will not reimburse the Officer for any contributions made by the Officer.
- 7.5 In accordance with DGB's commitment to contribute to the community coupled with its values of integrity and transparency, all Donation and Sponsorship must comply with the following:
- (i) Obtain authorisation from the Managing Director before committing any contribution, Donation and Sponsorship.
 - (ii) All donations of any kind must be transparent.
 - (iii) In any instance of charitable giving there must be an accurate receipt or letter of acknowledgement for any donation.
 - (iv) ensure such contributions are allowed by applicable laws;

- (v) be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- (vi) be accurately stated in the company's accounting books and records;
- (vii) not to be used as a means to cover up an undue payment or bribery.

7.6 In respect of political contributions and funds, no Officer is allowed to make a contribution to a political party or candidate on behalf of DGB, or use Company funds for a donation or contribution to a political party or individual political campaign.

7.7 Notwithstanding Clause 7.6, should the Company wish to make political contribution to any political party, Board approval is required before such contribution can be made.

7.8 It is also prohibited for Officer to make payments, whether in cash or in-kind, to political parties, party officials or political candidates for the purpose of obtaining, retaining, or directing business to DGB. In-kind contributions include participation in political campaigns during paid working hours and use of administrative support, company facilities, equipment, and supplies.

8. FACILITATION PAYMENTS

8.1 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.

8.2 Employee is expected to notify their HOD when encountered with any requests for a facilitation payment. In addition, if a payment has been made and Employee is unsure of the nature, HOD or the Managing Director must be immediately notified and consulted. The Employee must also ensure that the payment has been recorded transparently.

8.3 Employee must identify the difference between a legitimate request for payment in exchange for a service, and an illegal request for a bribe. If anyone face this problem, they must ask these questions:

- (i) Whether they are able to obtain an official receipt for the payment?
- (ii) Whether they are being pressured to make the payment?

If employee is unable to obtain an official receipt, or feel pressured into making a payment, the requestor may be asking the Officer for a facilitation payment.

8.4 Example of Illegal facilitation payment are as below:-

- (i) Giving a luxury handbag to a custom official to convince him or her to permit clearance of items without the necessary paperwork;
- (ii) Making a cash payment to a government inspector to ensure that he will overlook any regulatory non-compliance at the Company facility he is inspecting;
- (iii) Providing a job for an immediate family member of a government official in exchange for a valuable government contract; or
- (iv) Purchasing extravagant meals for a local official and his wife in order to win his approval for a permit.

However, there are certain situations or circumstances where an employee is faced with having to make facilitation payments in order to protect his/ her life, limb or liberty. In dangerous situations like this, the employee must:-

- (i) as soon as practicable report the request to HOD;
- (ii) obtain approval from the HOD if payment is necessary due to threat or violence;
- (iii) if approval is granted, submit a payment report to Legal & Compliance Department at the conclusion of the process stating: the amount paid; date

and purpose of payment; why the payment was unavoidable; recipient of the payment; outcome/consequences of the payment.

- (iv) If it is not possible to seek for approval due to immediate threat of physical violence or detention, the employee is allowed to make the payment upon which he or she must immediately report the payment and provide the above details to the Managing Director and Legal & Compliance Department. The employee may be required to make police report on the same.

9. HOSPITALITY AND ENTERTAINMENT

- 9.1 DGB recognises that providing corporate hospitality to all stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to build network and goodwill in business relationships.
- 9.2 As a general principle, DGB strictly prohibits officers from soliciting entertainment nor are they allowed to accept entertainment that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favorable business decision, particularly from parties engaged in a tender or competitive bidding exercise (for e.g. contractors, vendors, suppliers etc.).
- 9.3 DGB prohibit Officer for offering or accepting hospitality such as meals and accommodations from business associates and other parties subject to certain limited exceptions:-
 - (i) The hospitality provided is reported and written approval from HOD/Managing Director is required if the amount is above RM1,000.00, all records of which are properly kept;
 - (ii) It is not too excessive;
 - (iii) commensurate with the recipient's official capacity and not provided in his/her personal capacity; and

- (iv) intention to offer and/or provide the corporate hospitality is done with good and legal intentions not with the purpose of influencing business decision of the parties.
- 9.4 All expenses incurred to provide the entertainments must be properly kept, documented and recorded for audit purposes. Management has the right to reject any expenses incurred for entertainments should the Officer fails to provide sufficient documentations or fail to obtain prior approval from the Managing Director as required.
- 9.5 Should any Officer in his or her private capacity offers any hospitality/entertainments to any third party without informing the HOD or Managing Director, the Company shall not be liable to reimburse the expenses incurred by the Officer.
- 9.6 Invitations to entertainment events or marketing events (such as plays, concerts, sports games, conferences, museum visits, seminars) are legitimate opportunities to build intimacy with clients or suppliers. However, they may also bring the risk of creating an appearance of impropriety. For this reason, entertainment invitations are allowed if all the following conditions are met:
 - (i) A group of company employees are present at the event;
 - (ii) The catering provided is reasonable and appropriate in the circumstances;
 - (iii) The entertainment is legal and socially acceptable;
 - (iv) They are part of relationship building (customer engagement);
 - (v) Participating in the event may not improperly influence business decisions.
- 9.7 Officer should always assess the purpose behind any hospitality or entertainment. Hospitality or entertainment with the intention of improperly influencing anyone's decision-making or objectivity, or making the recipient feel unduly obligated in any way, should never be offered or received. Officers should always consider how the recipient is likely to view the hospitality. Similarly, Officer must also decline any

invitation or offer of hospitality or entertainment when made with the actual or apparent intent to influence their decisions.

- 9.8 If officers have any doubts on the appropriateness of a corporate hospitality and entertainment offered by an external party, they should either decline the offer or consult with HOD first (subsequently to seek Managing Director's approval at the advice of HOD, if deemed necessary).

10. DEALING WITH THIRD PARTIES

- 10.1 We are committed to conducting our business in a fair and transparent and ethical manner. While dealing with our Business Associates or any third parties, it must be carried out in compliance with all relevant laws and consistent with the core values and principles of DGB.

- 10.2 We expect that all third parties acting for or on its behalf to share the Company's values and ethical standards as their actions can implicate DGB legally and tarnish the Company's reputation. Therefore, before we enter any business dealing with our Business Associates or engage any third parties, we are obligated to conduct risk assessment and due diligence to ensure that we are dealing with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.

- 10.3 Risk Assessment and Due Diligence

A risk assessment ought to cover both external and internal risks of the Company when dealing with third parties.

- i. External risks include but not limited to the following:-
 - a. Country risk – higher levels of corruption in certain countries where our Company has a business dealing;
 - b. Transaction risk – facilitation payment to obtain licences or fast-track licencing application, to secure project;
 - c. Business risk – entering into joint-venture or consortium with third party(ies).

ii. Due Diligence

- a. Upon determining the degree of risk via the risk assessment, the next step is to conduct due diligence on our business associates.
- b. Due diligence may include a search through relevant databases, information request, Business Associates and third party to fill in the Evaluation Form, checking for relationships with public officials, self-declaration, and documenting the reasons for choosing one particular Business Associate over another.
- c. If at any point during the due diligence exercise or in the dealings with any Business Associates or third party, there are conflicts of interest or "red flags" are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the Business Associates or third party can progress. Examples of red flags to look out for are as follows:
 - The transaction involves a country known for a high incidence of corrupt practices;
 - Family, business or other "special" ties with government or public officials;
 - A reference check reveals a flawed background or a reputation for getting "things done" regardless of the circumstances or suggests that for a certain amount of money, he can fix the problem;
 - Objection to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements;
 - Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees;

- The third party requires that his/her identity not be disclosed as part of the business transaction;
 - Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.
- d. Based on due diligence results, we may either decline, suspend or terminate relationships the Business Associates or any other parties engaging with us to protect our Company from any legal, financial and reputation risk. The due diligence process should be aimed at obtaining sufficient information in order to assess if there are bribery risks posed by these parties.
- e. Officers must use good judgment and common sense in assessing the integrity and ethical business practices of third parties and have provided the above as a guideline and advice from the Legal & Compliance Department whenever particular questions arise relating to third parties that the Company has engaged with or is considering to engage with.
- f. DGB shall also include standard clauses in all contracts with business associates enabling the Company to terminate the contract in the event that bribery or an act of corruption has been proved to occur.
- g. If any of the Employees wishes to proceed with the engagement of any Business Associate despite the red flags have been raised, the Employee shall provide sufficient explanation and plan to mitigate the risk of all the red flags raised and seek the written approval from the Managing Director.

ii. Internal risks

- a. Internal risks referred to Bribery and Corruption risk expose to Employees in the Company's daily activities. Each HOD must regularly assess the vulnerability of each activities in the Company while dealing with third parties. Proper risk assessment must be conducted for evaluation and mitigation of the risk of Bribery and Corruption in a business entity.
- b. The register should record the activities identified as vulnerable to bribery. A list of activities deemed to be vulnerable where bribery commonly can take place are as follow (*this list is not exhaustive*):
- **Tender, Sales and marketing:** Bribes made to win orders or to gain insider information such as specification of tender specifications before they are released for tendering.
 - **Project management:** On projects, the majority of the funds for paying a kickback have to be generated through the implementation of the project in ways such as rush orders, changes of specification, substitution of inferior materials
 - **Supply chain management (includes procurement and contracting):** Acceptance of bribes from suppliers and intermediaries, payment of bribes in logistics, obtaining regulatory approvals, port and canals clearances, contracts awarded to a supplier who then pays a kickback to reward the buyer who made the decision.
 - **Human resources:** Bribes paid to headhunter or outsourcing contractors to influence recruitment, appointments, promotions and disciplinary actions.

Corporate affairs: Undue political engagement, donations to politicians and political parties.

- c. In order to ensure all Employees, have strict adherence to this Policy, compulsory training will be provided to all Employees as outlined under Clause 13 below and refresher courses will be given to employees as and when required.

11. EMPLOYMENT IN THE COMPANY

- 11.1 Anti-corruption due diligence reviews are required for hiring of employees and the vetting of agents who will work on behalf of DGB. We perform due diligence in hiring process.
- 11.2 In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in Top-level Management positions, as they would be tasked with decision making obligations.
- 11.3 Besides, the Company does not offer employment to prospective Employees in return for previous favor/in exchange of improper favor.
- 11.4 The Company awards contracts and employee positions purely based on merits. Support letters in all forms shall not be recognized as part of the business decision making process.
- 11.5 No Employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behavior, even if such refusal may result in the company losing business or experiencing a delay in business operations.

12. COMPLIANCE AND OBLIGATIONS

12.1 Accurate Books and Record-Keeping

- (i) All financial records shall be kept accordingly and the Company shall have appropriate internal controls in place, which will evidence the business reason for making payments to third parties.
- (ii) HRD and Legal & Compliance Department must keep a written record of all hospitality or gifts accepted or offered, which will be subject to Top Level Management or BOD review. DGB shall ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure. No accounts must be kept "off-book" to facilitate or conceal improper payments.

12.2 Effective Internal Control and Monitoring

- (i) The BOD is responsible to formulate and approve the Company's written policy on anti-corruption as well as enforce an effective anti-corruption system/method to ensure that employees are aware of the implications of corruption. In addition, where there is any incident in relation to corruption or bribery as reported by the HRD, the Top-Level Management or the BOD shall provide finest recommendation and remedy as well as initiating disciplinary action against that individual or group of persons based on the evidence gathered.

The Company maintains a system of internal controls with the relevant standard operating procedures. Management are responsible for monitoring adherence to this policy and procedures designed to prevent or detect bribery and corruption. The approvals and documentation standards

identified in this policy and procedure document will be subject to regular review.

12.3 Role of HOD and Employee

- (i) HOD for all department must play their role to ensure the effective enforcement of this policy. They shall:
- determine the key legal and ethical compliance risks in their respective department;
 - assess and monitor the risks; communicate and report change; and ensure relevant business plans, discussion and operations are considered;
 - implement controls and communicate the requirements of the Policy
 - ensure compliance by their Employees with the requirements of this Policy.
- (ii) Each Employee shall:-
- support and monitor Bribery and Corruption activities within their respective departments;
 - work with the department to identify and assess the overall level of Bribery and Corruption risk;
 - work with their respective department to identify employee exposed to Bribery and Corruption risk and assist in nominating identified staff for training.
 - ensure that any and all interaction with DGB's customers, suppliers, contractors and government officials complies with all relevant laws and regulations, including this Policy.

12.4 The Group's Legal & Compliance Department (reporting directly to the Chief Finance Officer), supported by the HRD, is responsible for implementing and

enforcing this Policy. This includes ensuring that all relevant Parties are informed about this Policy and conduct training.

13. TRAINING AND AWARENESS

- 13.1 This Policy shall be made publicly available and appropriately communicated to all personnel and business associates.
- 13.2 The communication of this policy shall take into account what key points should be communicated, to whom they should be communicated, how they will be communicated, timeframe for conducting the communication and languages the materials will be communicated in.
- 13.3 The communication of this Policy may be conducted in a various medium include, but are not limited to:
- (i) messages on the intranet or website;
 - (ii) emails, newsletters, posters; or
 - (iii) code of conduct and employee's handbooks.
- 13.4 All new employees will be briefed about this Policy as part of their welcome orientation and 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 HRD for the duration of the personnel's employment. A sample declaration can be found in the Appendix III of this Policy.
- 13.5 All staff must complete the training in relation to this Policy. The training may be conducted in a variety of formats, including but not limited to:
- (i) induction programs featuring anti-corruption elements;
 - (ii) in-house training;
 - (iii) corporate training programs, seminars, videos; or
 - (iv) intranet or web-based programs.

13.6 Any updates and review of the policy shall be circulated to all staff through memo and email.

13.7 Further training maybe given to those in exposed position if needed.

14. RELATED RULES AND REGULATIONS

14.1 DGB is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited:

- (i) Malaysia Anti-Corruption Commission (MACC) Act 2009
- (ii) Malaysia Anti-Corruption Commission (Amendment) Act 2018
- (iii) Malaysian Penal Code (revised 1977)
- (iv) Companies Act 2016 (Malaysia)

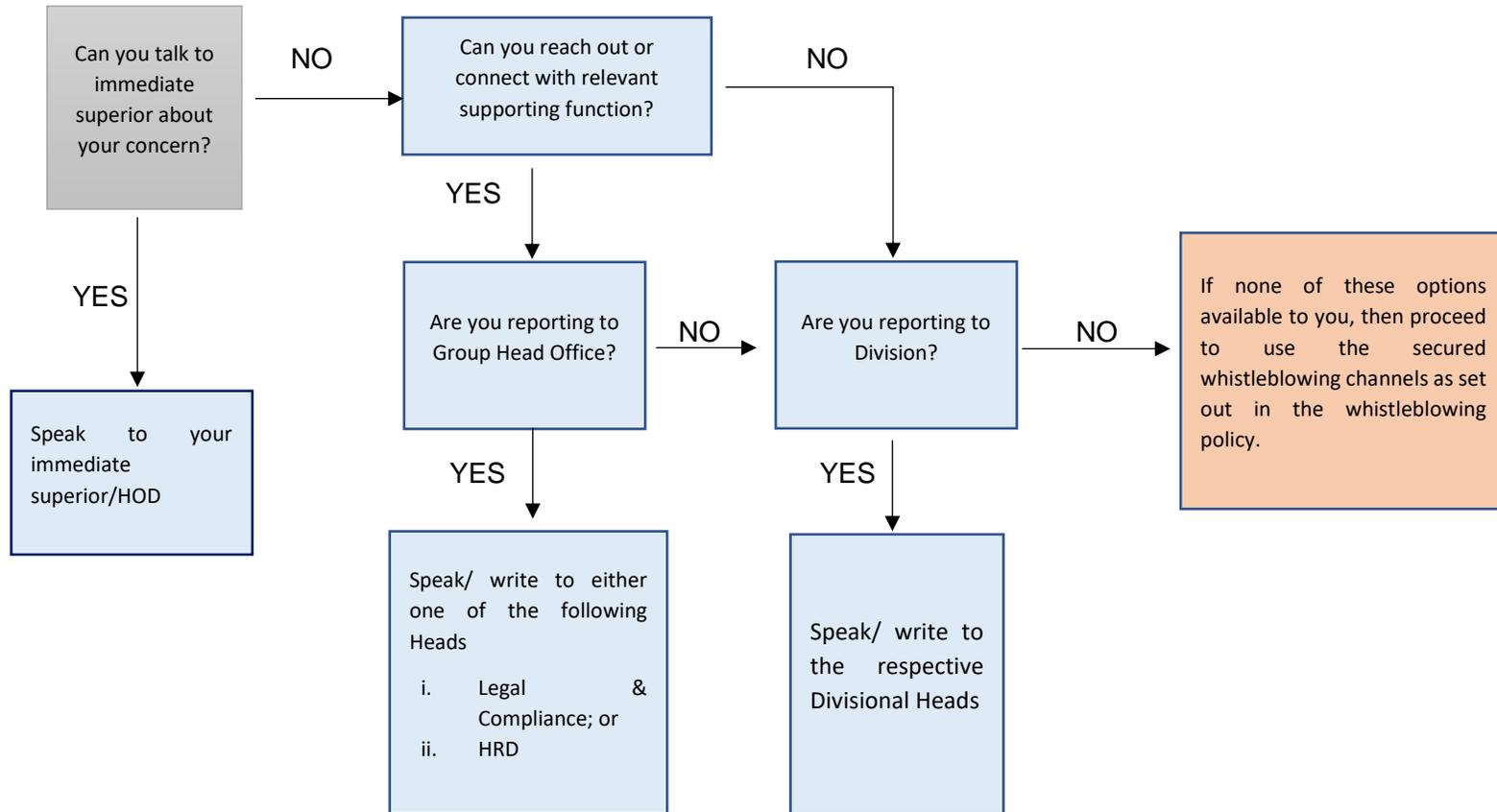
14.2 Organizations are mandated to establish and maintain accurate books and records as well as adequate measures to prevent corrupt practices. In cases of conflict between mandatory law and the principles contained in this Policy, the law shall prevail.

15. REPORT OF POLICY VIOLATION

15.1 Employees who encounter actual or suspected violations of this Policy on past or proposed actions by anyone in the Company or any third party working with the Group in any capacity are required to report their concerns. Each Employee has a responsibility to ensure that suspected bribery and corruption incidents are reported promptly. The Company practices an open-door policy and encourages all Employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner. *Please refer to Flow Chart II below on how to report a Bribery and Corruption practice in the Company.*

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Flow Chart II – Reporting of Policy Violation



- 15.2 All reports of suspected violations of the Policy or the law will be taken seriously and promptly investigated. As appropriate, the Top-level Management may assign investigator(s) to review all reported instances of alleged Policy violations.
- 15.3 The investigator(s) will:
- (i) Act objectively in determining facts through interviews or a review of documents;
 - (ii) Contact the complainant who may have knowledge about the alleged incidents(s); and
 - (iii) Recommend corrective actions and/or disciplinary measures where appropriate.
- 15.4 In accordance with applicable law, we strive to:
- (i) Protect the confidentiality of the individuals involved, to the extent practical;
 - (ii) Inform the Complainant of the accusations reported against him/her at a time when such a disclosure will not jeopardize the investigation; and
 - (iii) Where permissible, allow Complainant to review and correct information reported.

16. WHISTLEBLOWING POLICY

- 16.1 DGB encourages openness and transparency in its commitment to the highest standard of integrity and accountability. Officer is encouraged to use the channels as set out in the Whistleblowing Policy without the fear of retaliation.
- 16.2 If any Officer make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, he or she will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that he or she were mistaken. In addition, Employees who whistle blow internally will be also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

17. SANCTION FOR NON-COMPLIANCE

- 17.1 The Company regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event that the Company's interests have been harmed as a result of non-compliance.
- 17.2 Any director, officer or employee who fails to comply with this Policy will be subject to disciplinary measures, the severity of which will vary depending on the degree of non-compliance. Discipline can range from receiving a warning and/or being required to attend additional training on anti-corruption compliance to termination of directorship and employment.
- 17.3 Such internal disciplinary measures are in addition to any criminal or civil penalties that could be imposed by law enforcement agencies. The Company shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- 17.4 Where notification to the relevant regulatory authorities have been done, the Company shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Employees.
- 17.5 Violations of applicable anti-corruption laws may result in substantial criminal and civil penalties for individual employees and may include imprisonment.

18. WAIVER

Any deviation or waiver from this policy must be approved by the Audit Committee or BOD.

19. PERIODIC REVIEW

The Board and Top-level Management of the Company will review this Policy from time to time when deem necessary and communicate the new changes to all levels of

officers. The Policy shall be made available on the Company’s website.

20. DOCUMENT HISTORY

Document history is as tabulated:

Version	Date of Board Approval	Implementation Date	Description
1	21 January 2020	21 January 2020	1 st version of the Policy

**APPENDIX I
 GIFT PURCHASE FORM**

Employee who wish to purchase any gift on behalf of the Company shall fill this form and obtain approval from the Managing Director.

A. To be Completed by Requestor		
Name:		
Designation:		
Department:		
Description of gift:		
Estimated value of gift:		
Receivers Details:	Name of Receiver:	
	Address of Receiver:	
Relationship between Requestor and Receiver: <i>(i.e supplier, main contractor, etc)</i>		
Purpose of Gift: <i>(Please provide sufficient detail, comments such as "networking" or "relationship building" are not adequate)</i>		
Any ongoing business dealings: <i>(i.e tendering/bidding for project, getting quotation, etc)</i>		
B. Authorisation		
Requested by:	Verified by:	Approved by:
_____	_____	_____
Name: Requestor	Name: Head of Department	Name: Managing Director

**APPENDIX II
GIFT DECLARATION FORM**

This declaration form supports Dynaciate's Anti Bribery and Corruption Policy. Employees must declare all offers of gifts pursuant to Clause 6.6 of the DGB's Anti Bribery and Corruption Policy.

A. To be completed by Employee:				
Name:		NRIC No:	Designation/Department:	Declaration Date:
B. Particulars of Gifts				
a.	Description of gift:	1.	2.	3.
b.	Date offered:			
c.	Details of the Offeror: <i>(Name and Organization)</i>			
d.	Is the Offeror a Business Associate of the Group: <i>(i.e supplier, contractor, business partner)</i>			
e.	Purpose of Gift offering: <i>(Please provide sufficient detail, comments such as "networking" or "relationship building" are not adequate)</i>			
f.	Currently, is there any company within our Group tendering or in negotiation for any project, sales or any business dealings which will create an actual, potential or perceived conflict of interest exist: <i>(if the answer is yes, gift must be returned immediately)</i>			

I confirm that the information provided above is true and accurate.

Signature:

Date:

Name:

Designation

C. To be completed by Head of Department/Managing Director:

Name:

NRIC No.:

Position/Designation:

Date:

Decision on the Gift:

(i.e donation, display, share with employees)

1.

2.

3.

Signature:

Date:

Name:

Department:

D. Acknowledgement:

Name:
 Date:
 (HR & Admin)

Managing Director
 Date:

Name:
 Date:
 (Legal & Compliance)

APPENDIX III
DECLARATION OF UNDERSTANDING OF DYNACIATE GROUP BERHAD
ANTI-BRIBERY & CORRUPTION POLICY

I, hereby confirm that I have read Dynaciate Group Berhad’s Anti Bribery & Corruption Policy. I also confirm that I have understood the requirements and my responsibilities in relation to this Policy.

I understand that if I am party to any breach of this Policy then it could be regarded as Gross Misconduct and that this may result in disciplinary action, up to and including dismissal, in accordance with the Company’s Employment Handbook.

Signed:

Name:

Position:

Date: