

# **INARI AMERTRON BERHAD**

## **Anti-Corruption and Bribery Policy**

## 1. Introduction

- 1.1 The Board of Directors ("Board") of Inari Amertron Berhad ("Inari" or "Company") and its subsidiaries (collectively "Inari Group") has established and adopted this Anti-Corruption and Bribery Policy ("Policy"). Inari Group is committed to conducting the business ethically, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.
- 1.2 This Policy provides principles, guidelines and requirements on how to deal with bribery and corrupt practices that may arise in the course of daily business and operation activities within Inari Group.
- 1.3 Unless otherwise stated, any references to "we", "us" and "our" in this Policy are to our Company and our subsidiaries taken as a whole.

## 2. Purpose

- 2.1 The purpose of this policy is to:
  - 2.1.1 set out our responsibilities to comply with laws against bribery and corruption; and
  - 2.1.2 provide information and guidance to those working for Inari Group on how to recognise and deal with corruption and bribery issues.
- 2.2 We will undertake a bribery and corruption risk assessment across our business at least on an annual basis [*paragraph 15.02(3) of Listing Requirements*] with intermittent assessments as and when necessary to understand the bribery and corruption risks it faces and ensure that it has adequate procedures in place to address those risks.

## 3. Scope and Application

- 3.1 This Policy applies to all individuals working for Inari and all companies within Inari Group at all levels and grades.
- 3.2 This includes employees, senior managers, managers and all individual working at all levels and grades (collectively "Employees"), Directors (whether full time, part-time, contract or temporary) and any third parties associated with us in the commercial context.
- 3.3 Managers and supervisors of all levels have additional responsibilities under this Policy and are held to a higher standard of compliance. They are required to create and maintain an open environment that is comfortable for employees to ask questions, raise concerns and report misconduct.
- 3.4 In this Policy, associated third parties shall refer to any individual or organisation that an associate may come into contact during the course of his/ her engagement with Inari Group, which may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisers, government and public bodies including their advisers, representatives and officials (hereafter together defined as "Associated Third Parties").

## 4. Definitions

- 4.1 For the purpose of this Policy, the terms listed below represent its respective definitions and shall exclude food and drinks, fruits, flowers and approved sponsorship, donation and contribution to Inari Group official events:

"Benefits"	: Any form of advantages or profits gained by Directors, Employees and Associated Third Parties.
"Bribery"	: 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 or refraining from acting in relation to that person's duties, action or decision.
"Contribution"	: A contribution is generally associated with a gift or payment to a for-profit organisation to help produce or achieve something together, or to help make something successful.
"Corruption"	: The provision or receipt of monetary or non-monetary bribe or reward of high value for performing in relation to Directors', Employees' and Associated Third Parties' duties. This includes misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
"Directors"	: Board members including all Independent or Non-Independent Directors and shall also cover alternate Directors.
"Donation"	: Donation is an act by a voluntary contribution in the form of monetary or non-monetary gifts to a fund or cause for which no return service or payment is expected or made typically to a non-profit organisation, or charitable cause.
"Employee"	: An individual who accepts a form of remuneration from Inari Group in exchange of services to Inari Group on a permanent or temporary contract, assignment or secondment basis, including agents and consultants working for Inari Group.
"Entertainment"	: (a) The provision/ receiving of recreation; or (b) The provision/ receiving of accommodation or travel in connection with or for the purpose of facilitating entertainment of the kind mentioned in paragraph (a) above, with or without consideration paid whether in cash or in kind, in promoting or in connection with a trade or business activities and/ or transactions.
"Facilitation Payments"	: Small sums or bribe, unofficial payment made to secure or expedite the performance of a routine action by Directors, Employees and Associated Third Parties.
"Family members"	: Shall include Directors' or Employees': (a) spouse; (b) parent; (c) child, including adopted child and stepchild; (d) brother or sister; and (e) the spouse of his child, brother or sister.
<i>[as defined under Section 197(2)(a) of Companies Act 2016]</i>	
"Gifts"	: Any form of monetary or non-monetary such as goods, services, cash or cash equivalents, fees, rewards, facilities, or benefits given to or received by Directors, Employees and Associated Third Parties, his or her spouses or any other

person on his or her behalf, without any or insufficient consideration known to Directors, Employees and Associated Third Parties.

- “Hospitality” : Business lunches/ dinners are accepted modes of hospitality. The provision/ acceptance of hospitality should be infrequent and non-lavish. The sole purpose must be for the enhancement of a business relationship and not for reciprocity.
- “Kickbacks” : Any forms of payment intended as compensation for favorable treatment or other improper services. This includes the return of a sum already paid or due as a reward for awarding of furthering business.
- “Personal interest” : Membership of an organisation's Board of Directors/ Trustees/ Senior Management positions held either by Directors or Employees or their family members.
- “Sponsorship” : Sponsorship refers to the financial or in-kind support of an event, a sports team, a charity organisation, etc. with the objective of attaining legal business objectives.

## 5. Our Principles

- 5.1 We take a zero-tolerance approach to corruption which may also include acts of extortion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering and bribery.
- 5.2 We conduct all of our business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our relationships and business dealings in accordance with our Code of Business Conduct and Ethics Policy, and to implement and enforce effective system to counter bribery.
- 5.3 We will uphold all laws relevant to countering corruption and bribery. We remain bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti- Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time in respect of our conduct both at home and abroad.
- 5.4 To address these risks, we have taken the following steps:
- 5.4.1 Implement this Policy;
  - 5.4.2 Perform regular corruption risk assessment on our operations and review findings;
  - 5.4.3 Take steps to implement training programmes for all individuals operating in areas of the organisation that are identified as high risk; and
  - 5.4.4 Regular review and update to this Policy.

## 6. Corruption, Gifts, Entertainment, Hospitality and Travel

- 6.1 Directors, Employees and Associated Third Parties shall NOT:
- 6.1.1 Offer, give, or promise to give a bribe or anything which may be viewed as a bribe to secure or award an improper business advantage;

- 6.1.2 Offer, give, or promise to give a bribe or anything which may be viewed as a bribe to a government official, agent or representative to facilitate, expedite, or reward any action or procedure;
- 6.1.3 Request or receive a bribe or anything which may be viewed as a bribe from a third party knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them; or
- 6.1.4 Engage in any activity that might lead to a breach of this Policy.
- 6.2 Directors, Employees and Associated Third Parties are dehorted from offering, giving, accepting or receiving gifts, entertainment, hospitality and/ or travel from/ to a third party or stakeholder of Inari Group that might create a sense of obligation and compromise their professional judgement or create appearance of doing so.
- 6.3 Directors, Employees and Associated Third Parties shall not offer, give, accept or receive any gifts, entertainment, hospitality and/ or travel from/ to a third party or stakeholder of the Company except if it is made from gestures that are construed to be legitimate contribution and provided that the gifts, entertainment, hospitality and/ or travel are presented in good faith and in accordance with gifts, entertainment, hospitality and travel approval matrix of respective Company, which may be directly or indirectly offered as a result of or in anticipation of Directors', Employees' and Associated Third Parties' position or performance of duties with Inari Group or for cultivating good business relationship.
- 6.4 Directors, Employees and Associated Third Parties shall exercise proper care and judgement in respect of giving or receiving any gifts, entertainment, hospitality and/ or travel subject to approval matrix.
- 6.5 Directors, Employees and Associated Third Parties shall take into consideration the impact of their actions with regards to how their actions are perceived (i.e. Influencing their decision and personal interest) and its impact towards the business operations of the Company prior to giving or accepting any gifts, entertainment, hospitality and/ or travel.
- 6.6 We encourage the use of good judgement when giving or accepting the gifts, entertainment, hospitality and/ or travel subject to the approval matrix. All gifts, entertainment, hospitality and travel must be:
  - 6.6.1 Reasonable in value;
  - 6.6.2 Infrequent in nature;
  - 6.6.3 Transparent and open;
  - 6.6.4 Not given to influence or obtain an unfair advantage; and
  - 6.6.5 Respectful and customary.
- 6.7 Any provision or acceptance of gifts, entertainment, hospitality and/ or travel shall be declared via Gift and Hospitality Declaration Form and obtain approval in accordance with gifts, entertainment, hospitality and travel approval matrix of respective Company.
- 6.8 If an Employee is **unsure of how to consider the intention behind any gifts**, hospitality or entertainment offered, the Employee must always disclose and refer the matter to the immediate supervisor or Head of Department to obtain advice and also approval before proceeding.
- 6.9 An Employee must obtain **prior clearance and approval** from the immediate supervisor and/or Head of Department before giving or receiving any gifts, hospitality or entertainment to or from any person which is not of any improper motive.

- 6.10 Where any gifts, hospitality or entertainment is not improper and received before prior approval can be obtained, an employee **must always disclose** such gifts to the immediate supervisor and/or Head of Department, **regardless of its value**.
- 6.11 All employees of the Inari Group **should not** give any gratification, gifts, hospitality or entertainment to persons for improper purposes related with Inari Group's business in their personal capacity.

## 7. Anti-Money Laundering/ Anti-Terrorism Financing (“AML/ATF”)

- 7.1 All Directors and Employees are **strictly prohibited** from taking part in any form of money laundering activities. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 and other laws and regulations in Malaysia. All Directors and Employees shall be aware of the applicable anti-money laundering laws and shall seek to be adequately informed of the developments in the aforementioned laws.
- 7.2 Directors and Employees are **prohibited** from being involved in money laundering and terrorism-financing activities as enshrined in the Anti-Money Laundering and Anti-Terrorism Financing and Proceeds of Unlawful Activities 2001. It includes but not limited:
- 7.2.1 Money laundering; and
  - 7.2.2 Structuring transactions to evade reporting requirement.
- 7.3 If Directors and Employees are found to be engaging or assisting in money laundering activities, criminal proceedings may be instituted against in accordance with the laws applicable on anti-money laundering.
- 7.4 The following are some example indicators of money laundering and terrorism financing:
- 7.4.1 Requests for payment amounts that differ from the milestones stated in the contract;
  - 7.4.2 Currency of payment that differs from that stated in the contract without prior written approval from contracting parties;
  - 7.4.3 Mode of payment used is outside the course of normal business practice; and
  - 7.4.4 Payments to or from parties that are not the contracting parties.
- 7.5 Directors and employees shall ensure that counterparty due diligence is conducted to understand the business and background of the prospective business counterparties with a view of ascertaining the origin and destination of money, property and services to comply with the applicable AML/ATF laws and regulation.

## 8. Facilitation Payment and Kickbacks

- 8.1 We do not make and will not accept Facilitation Payments (commonly known as “grease payment”) or Kickbacks of any kind to any local or foreign officials with a view of expediting a routine business action for Inari Group. All associates must avoid any activity that might lead to Facilitation Payments or Kickbacks being made or accepted.
- 8.2 Any individual with any suspicious, concerns or queries regarding a payment made on our behalf or improper business practices, he or she should raise these by reporting to the Company via the channel as outlined in our Whistleblowing Policy **and Procedures**.

## 9. Associated Third Parties and Procurement Process

- 9.1 We had processes and adheres to the system of internal controls on supplier selection. Supplier selection should never be based on receipt of the Gifts, Benefits or Entertainment.
- 9.2 Bidding process is open to all qualified bidders and no parties having the unfair advantage of separate, prior, close-door negotiations for a contract.
- 9.3 Selection of supplier shall subject to clear adherence to this Policy, compliance with Inari Group Code of Business Conduct and Ethics, Supplier Code of Conduct and Purchasing Policy.
- 9.4 Appropriate assessment shall be conducted to individuals or third parties to ensure the business and background of the potential business partners are free from bribery elements or conflict of interest prior to procurement process.

## 10. Political Donations and Contribution

- 10.1 We do not make charitable donations or contributions to political parties. Whilst our Directors, Employees and Associated Third Parties acting in their personal capacity as citizens are not restricted to make any personal political donations, Inari Group will not make any reimbursement for these personal political contributions back to its Directors, Employees or Associated Third Parties.
- 10.2 Inari Group's property, facilities, services or employee time cannot be used for or contributed to any political party or candidate for public office.

## 11. Public Officials & Government Dealings

- 11.1 The Group strives to build transparent and fair relationship with all government agencies and public officials. Appropriate action must be taken to comply with the applicable laws and regulations as well as the Group's relevant policies and procedures.
- 11.2 Inari Group recognises that the practice of giving and receiving gifts varies between countries, regions, cultures, and religions, so the definitions of what is acceptable and not acceptable will inevitably differ for each. When dealing with public officials, employees of the Inari Group should ensure that any giving or receiving of gifts do not relate to, in any form whatsoever, the public official's official dealings or public duty. At all material times, employees of the Inari Group are to ensure compliance with laws of their respective jurisdictions, and the **higher standard** will be applicable to all employees to avoid non-compliance of any laws on anti-bribery which may be applicable to the Inari Group as a whole.
- 11.3 Any hospitality of public officials, subject to the approval of Inari Group, are for circumstances where it is to reasonably facilitate genuine promotional, business or educational meetings. Any hospitality provided must be without expectation of any influence exerted on the public official in exchange for any commercial outcome, and should always be at a reasonable and modest value.

## 12. Sponsorships, Donations, and Contribution to Charity or Social Projects

- 12.1 Sponsorships, contributions or donations made by Inari Group to community projects or charities need to be made in good faith and in compliance with Inari Group Code of Business Conduct and Ethics, this Policy and all relevant Inari Group's policies and procedures.
- 12.2 No donation should be made which may or may be perceived to breach applicable law or any other sections of this Policy.

- 12.3 Inari Group prohibits the use of sponsorships, donations and contribution to charity or social project with an intention to influence business decisions or was otherwise intended or given with the expectation of gaining any personal interest, advantage, or which may adversely affect Inari Group's reputation.
- 12.4 Directors, Employees and Associated Third Parties intend to provide or receive any sponsorships, donations and contribution to charity or social projects shall fill up the CSR, Donation and Sponsorship Form and Due Diligence Questionnaire for CSR, Donation and Sponsorship and obtain approval in accordance with the approval matrix.

### 13. Responsibilities

- 13.1 The Board has oversight of this Policy. GCEO/ GCFO/ COO/ VP/ GM/ HOD are responsible for ensuring the compliance with this Policy. Every manager and employee are required to be familiar with and comply with this Policy.
- 13.2 We have a zero-tolerance approach to corruption and bribery. Any violation of this Policy will be regarded as serious matter and will result in disciplinary action, including dismissal and termination in accordance with local law.
- 13.3 Any individual and employee with any suspicious, concerns or believes regarding a violation with this Policy has occurred or may occur in future, should raise up, notify and shall make report to the Company via the channel outlined in our Whistleblowing Policy and Procedures.
- 13.4 An employee will be accountable individually whether he or she pays a bribe himself or herself or whether he or she authorises, assists or conspires with someone else to violate this Policy and/or an anti-corruption or anti-bribery. Punishment for violating the law are against him/her as an individual and may include imprisonment, probation, mandated community service and monetary fines and others which will not be paid by Inari Group.
- 13.5 Further indications that may indicate corruption and bribery ("red flags") are set out in Section 16 of this Policy below.

### 14. Record Keeping

- 14.1 We must keep all financial records and have appropriate internal controls in place which will evidence, substantiate and justify that business reason for making payments to, and receiving payments from, third parties.
- 14.2 We must ensure all **expenses claims** relating to gifts or entertainment made to third parties are submitted in accordance with the Company's reimbursement procedures and/or applicable policy and specifically record the reason for such expenditure. All the parties shall further ensure that all expense claims shall comply with the terms and conditions of this Policy.
- 14.3 All documents, accounts and records relating to dealings with third parties, such as customers, suppliers and business contracts, should be prepared and maintained with strict accuracy and completeness. **No accounts should be kept "off-book"** to facilitate or conceal improper payments.



## 15. Confidentiality and Protection

- 15.1 Individuals who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.
- 15.2 We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this Policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

## 16. Communication and Training

- 16.1 Inari Group will on a continuing basis provide specific and regular training on this Policy, and on anti-corruption and bribery laws and on how to implement and comply with this Policy, for all new and existing Employees.
- 16.2 Our zero-tolerance approach to corruption and bribery must be communicated to all Associated Third Parties at the outset of our business relationship with them and as appropriate thereafter. Wherever possible, all Associated Third Parties should be sent a copy of this Policy at the outset of the business relationship or shall always refer to this Policy published on our Company website.

## 17. Monitoring and Review

- 17.1 All Directors, Employees and Associated Third Parties are responsible for the success of this Policy and should ensure adherence to this Policy and use it to disclose any suspected danger or wrongdoing.
- 17.2 Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering corruption and bribery.
- 17.3 This Policy does not form part of the associates' contract of employment and it may be amended at any time by the Company even though all Directors, Employees and Associated Third Parties are welcome to comment on this Policy and suggest ways in which it might be improved.
- 17.4 Any violation of this Policy by employees of the Inari Group will attract serious repercussions and disciplinary action after due inquiry. Where there is strong evidence of bribery and corruption committed by any employee of the Inari Group, the employee can be summarily dismissed and will not be allowed to be employed in any other companies of the Inari Group.
- 17.5 Employees who are found to have assisted or facilitated the violation of this Policy, whether actively or by way of negligence or omission, will also be deemed to have violated this Policy and committed a misconduct that is liable for dismissal from their employment with the Inari Group.
- 17.6 Directors and Employees are expected to **promptly report**, via the established reporting channels as provided for in Inari Group's Whistleblowing Policy and Procedures, of any suspicious transactions that may indicate corruption or money laundering.
- 17.7 Any report related to anti-bribery or corruption made to the Group in good faith, will be accorded protection to the extent reasonably practicable with the **Whistleblowers Protection Act 2010**. Such protection is accorded to all whistleblowers, even if the investigations on the suspected breach or violations later reveal that the whistleblower is mistaken.

## 18. Red Flags

- 18.1 The following is a non-exhaustive list of possible red flags (for illustrative purposes only) that may arise for an individual while working for Inari Group and which may raise concerns under various anti-corruption and anti-bribery laws.
- 18.2 If Directors, Employees and Associated Third Parties come across any of these red flags or believe it may occur potentially while working for Inari Group, he/she must make report promptly in accordance with the procedure as set out in our Whistleblowing Policy:
- 18.2.1 Become aware that a third party engages in, or has been accused of engaging in improper business practices, improper conduct or has a reputation for **paying bribes or requiring bribes**;
  - 18.2.2 A third party **demanding gifts, benefits, commission or fees** before committing or continue to sign up a contract;
  - 18.2.3 A third party requests that payment is made to a country or geographic location different from **where the third party resides or conducts business**;
  - 18.2.4 A third party refuses to provide or provide insufficient, false, or inconsistent information in response to due diligence questions;
  - 18.2.5 A third party requests the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us, or a shell entity serves as a **middleman** especially when domiciled in secrecy haven;
  - 18.2.6 There are signs that the third party is **not acting on his own behalf**, but is trying to conceal the true beneficial owner's identity;
  - 18.2.7 A third party has a reputation of having a "**special relationship**" with a government, political party or other public official or has been specifically requested by a public official;
  - 18.2.8 A third party refuses to sign a commission or fee agreement or insists on the use of a **side-letter relating to the payment of funds**;
  - 18.2.9 A third party requests an unusually large or misappropriate commission, retainer, bonus or other fee or an unexpected additional fee or commission to "facilitate" a service;
  - 18.2.10 A third party requests **payment in cash** or cash equivalent such a money order; refuses to provide an invoice or receipt;
  - 18.2.11 A third party **refuses to provide an invoice or receipt** for a payment, or you receive an invoice or receipt that appears to be non-standard or customised;
  - 18.2.12 A third party requests that a transaction is structured to **evade** normal record-keeping or reporting requirements;
  - 18.2.13 A third party refuses to abide by this Policy or does not demonstrate that it has adequate internal anti- corruption and bribery policies and procedures in place; and
  - 18.2.14 Been offered an **unusually generous gift or lavish benefits** or entertainment by a third party.

## **19. Review of the Anti-Corruption and Bribery Policy**

This Policy has been approved by the Board and is available on the Company's website. This Policy shall be periodically reviewed and amended by the Board, as and when necessary to ensure that it continues to remain relevant, appropriate and effective in the enforcement of the principles herein and to ensure continued compliance with the prevailing law.

Reviewed and approved by the Board on 23 September 2022.