

Anti-Bribery and Anti-Corruption Policy

1. INTRODUCTION

- 1.1 The Board of Directors (“**the Board**”) of SMIS Corporation Berhad (“**SMIS**”) and its subsidiaries (“**the Group**”) is committed to conducting its business ethically and in compliance with all applicable laws and regulations in the countries where it does business. These laws include but are not limited to the Malaysian Penal Code (revised 1977), the Malaysian Anti-Corruption Commission Act 2009 (revised 2018) (“**MACC Act**”) and the Malaysian Companies Act 2016. These laws prohibit acts of bribery and corruption, and mandate that companies establish and maintain adequate procedures to prevent bribery and corruption.
- 1.2 The principles of this Policy must be adhered to regardless of whether the countries which conduct of business take place have specific anti-bribery or anti-corruption laws. In cases where there is a conflict between the specific anti-bribery and anti-corruption laws and the principles contained in this Policy, the stricter provision shall prevail.
- 1.3 Under the MACC Act, bribery and corruption are criminal offences and the legal consequences include fine of not less than ten (10) times the sum or value of the gratification, or RM1 million, whichever is higher and/or imprisonment not exceeding twenty (20) years. A commercial organisation commits an offence if an associated person corruptly gives any gratification with intent to obtain or retain business or an advantage in the conduct of business, for the commercial organisation. “Gratification” means:
- (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;
 - (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; 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).
- 1.4 If an offence is committed by a commercial organisation, the MACC Act also deems its directors, controller, officer, partner or persons concern in its management of affairs to have committed the same offence. It is therefore important that you understand how bribery and corruption may be committed and the legal consequences arising from such act as well as to take steps to prevent bribery and corruption from happening.
- 1.5 This Policy is not intended to provide definitive answers to all questions regarding bribery and corruption, but to provide a basic introduction to how the Group combats bribery and corruption in furtherance of its commitment to lawful, fair and ethical behaviour at all times.

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2. SCOPE

- 2.1 The Board is responsible to ensure that the Group has in place policies and procedures that adequately address and manage bribery and corruption risks, promote a culture of integrity within the organisation, the organisation's policies and commitments on anti-bribery and corruption is being communicated to both internal and external parties.
- 2.2 This Policy is applicable to anyone who is employed by or work at the Group (whether in Malaysia or outside Malaysia and whether permanent, fixed-term or temporary basis), directors, (executive and non-executive), key senior management, company secretaries and committee members of SMIS (together, "**Personnel**"). It is also applicable to suppliers, customers, bankers, contractors, sub-contractors, consultants, agents, representatives and service providers of any kind performing work or services, for or on behalf of SMIS (together, "**Business Partners**").
- 2.3 The term "SMIS", "the Group", "we", "us" or "our" when used in this Policy shall refer to SMIS Corporation Berhad and its subsidiaries and the term "you" or "your" shall refer to each of our Personnel or Business Partners individually and in the case of Business Partners, including any entity which is controlled by our Business Partners, unless the context indicates otherwise.
- 2.4 The term "public officials" when used in this Policy shall mean official of any governments, government agencies or any regulatory, statutory or administrative bodies, whether local or foreign.

3. ANTI-BRIBERY AND ANTI-CORRUPTION

- 3.1 The Malaysian Anti-Corruption Commission in its official portal (www.sprm.gov.my) describes "corruption" as an act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job function or activity.
- 3.2 The MACC Act stipulates four (4) main offences, being:
- (a) Soliciting / Receiving Gratification (Bribe) - Sections 16 & 17(a) MACC Act
 - (b) Offering / Giving Gratification (Bribe) - Section 17(b) MACC Act
 - (c) Intending to Deceive (False Claim) - Section 18 MACC Act
 - (d) Using Office or Position for Gratification (Bribe) (Abuse of Power / Position) - Section 23 MACC Act
- 3.3 The Malaysia Anti-Corruption Commission (Amendment) Act 2018, which is in force on 1 June 2020 introduces two (2) more offences:
- (a) Offering / Giving Gratification by commercial organisation (Corporate Liability) – Section 17A MACC Act
 - (b) Deemed Parallel Personal Liability for Senior Personnel (Personal Liability) – Section 17A(3) MACC Act

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- 3.4 Corruption may include “bribery” which is any offering, promising, giving, requesting agreeing to receive, accepting a gratification, or other advantages with the intention of inducing or rewarding someone to perform their job function or activity inappropriately. Bribery may include kickbacks, inflated commissions, expensive gifts, political donations, excessive or inappropriate entertainment.
- 3.5 This Policy prohibits all forms of bribery and corruption practices and makes no distinction between whether they are being made to persons in the public or private sectors. SMIS’s relationships with public officials, our Personnel, Business Partners and any other parties are based on transparency and integrity.
- 3.6 Our Personnel or Business Partners must not engage in any activity that may lead to a breach of this Policy; and must not directly or indirectly pay, offer or promise any gratification to:
- (a) any public official, party or their family members as an inducement for or reward for acting inappropriately; and
 - (b) any customers, Business Partners or any other party for the purpose of exerting influence, soliciting payment or other unfair or illegal preferential treatment.
- 3.7 Our Personnel will not suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illegal behaviour; or who has raised concern under this Policy or SMIS’s Whistle Blower Policy.

4. CONFLICTS OF INTEREST

- 4.1 Conflicts of interest arise where there is personal interest that can be considered to have potential interference with objectivity in performing duties or exercising judgement on behalf of SMIS. Our Personnel must avoid situations in which their personal interest would conflict with their duties and responsibilities. Our Personnel must not use their position, official working hours, SMIS’s resources and assets, or information available to them for personal gain or to SMIS’s disadvantage.
- 4.2 It is not possible to list all situations or relationships which may create a conflict of interest or the appearance of one, so each situation must be evaluated on case-to-case basis as they can be damaging to employee or to the Group. Conflicts of interests which are fully disclosed in certain circumstances may be acceptable, assuming appropriate mitigations have been agreed and implemented.
- 4.3 Should any Personnel encounter a conflict of interest situation, they are required to disclose the said situation to the Chief Executive Officer and be reviewed by the Audit and Risk Committee and reported to the Board, if deemed necessary and in cases of contemplated transaction or contract of any actual conflict of interest, potential conflict of interest or perceived conflict of interest related to a Director or Key Senior Management.

5. GIFTS, ENTERTAINMENT AND HOSPITALITY

5.1 Gifts

A. Providing gifts

- (a) “Corporate gift” normally bears a company’s name and logo and are of nominal or appropriate value such as diaries, table calendars, pens, notepads and plaques. “Festive or ceremonial gifts” are traditional treats or gifts customary to the occasion such as red or green packets (without cash or cash equivalent), oranges and dates.
- (b) Corporate gifts, festive or ceremonial gifts may be given to our Business Partners or other parties provided it fulfils all the following conditions:
 - (i) made for the right reason – it should be clearly given as an act of appreciation or common courtesy associated with festive seasons or other ceremonial occasions;
 - (ii) no obligation – it must not be used to cause or induce the receiver to improperly or illegally influence any business action or inaction or cause others to perceive an improper influence;
 - (iii) no expectation – there must not be any expectation of any favour or improper advantages from the receiver;
 - (iv) made openly – if made secretly and undocumented then the purpose will be open to question;
 - (v) reasonable value – the type of gift and its value must commensurate with the occasion and in accordance with general business practice;
 - (vi) legal – it complies with applicable laws; and
 - (vii) documented – the expense must be approved in accordance with and complies with SMIS’s standard operating procedures.

B. Accepting gifts

- (a) SMIS recognises that exchange of gifts is a very delicate matter where, in certain cultures or situations, gift giving is customary, a tradition or central part of business etiquette.
- (b) Our Personnel are expected to decline (or avoid accepting) gifts with the exceptions being:
 - (i) corporate gifts of nominal or appropriate value which normally bearing the company’s logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows and others which are deemed as part of the company’s brand building or promotional activities;
 - (ii) festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions; or
 - (iii) gifts to external parties who have no business dealings with the company (e.g. monetary gifts or gifts in-kind to charitable organisations).

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- (c) Our Personnel and Business Partners must not directly or indirectly solicit for gifts from any party for themselves or for or on behalf of SMIS. Our Business Partners should not give gifts to our Personnel. If there is doubt about the acceptability, the gift must be refused.
- (d) In no circumstances may our Personnel (or anyone on their behalf) accept gift in the form of cash or cash equivalent (except for money packet tradition in token amount during the relevant festive season) from any party having business dealings with SMIS, other than exceptions mentioned above.
- (e) Our Personnel must declare any gift provided or received, irrespective of value, using **Declaration of Gifts Form** respectively, within five (5) working days from the date of gift provided or received. The declaration form will need to be submitted to Human Resource Department who will then highlight to the Head of Department or the Management to note and decide on the course of action. The details of gifts and decisions made are recorded in the Gift Register maintained by Human Resources Department.
- (f) In determining the above, the Head of Department or the Management are expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position or seniority of the person(s) receiving the gift, the business context, reciprocity, applicable laws and cultural norms.
- (g) In the above exceptional circumstances, employees and directors are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles set out in SMIS's Code of Conduct, which is publicly available at SMIS official [website](#).

5.2 Entertainment

A. Providing Entertainment

- (a) It is a common practice within the business environment to provide entertainment to foster business relationship. SMIS recognises the need to provide reasonable and proportionate entertainment under appropriate circumstances. Our Personnel may offer appropriate and proportionate entertainment that is legal and reasonable within the scope of their work as part of business networking as well as a measure of goodwill towards the recipients.
- (b) Whilst the act of hospitality through entertainment is a central part of business etiquette, it may create a negative perception if observed or known by others despite selfless motives behind the entertainment provided. Our Personnel must always bear in mind that perception is more important than facts and therefore our Personnel is expected to always exercise proper care and good judgement when providing entertainment to external parties, especially when it involves public officials.
- (c) Our Personnel must not directly or indirectly provide or offer to provide entertainment with a view to cause undue influence or in exchange for future benefits or advantages. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and corruption. The Personnel is required to maintain expenses within the limits of his or her entitlement stated by the Human Resource Department or the Management, when carrying out such activities.

B. Accepting Entertainment

- (a) SMIS recognises that occasional acceptance of appropriate and proportionate entertainment provided by Business Partners or other parties in the normal course of business is a legitimate way to network and to build business relationships.
- (b) However, it is important for our Personnel to exercise proper care and good judgement before accepting entertainment offered or provided by Business Partners or other third parties. This is not only to safeguard the Group's reputation, but also to protect our Personnel from allegations of impropriety or undue influence.
- (c) Our Personnel must always conduct themselves with integrity in relation to accepting entertainment from any party. Our Personnel or any of their family members must not accept entertainment in exchange for an exercise or non-exercise of their job function or activity.

5.3 Corporate Hospitality

A. Providing Corporate Hospitality

- (a) Corporate hospitality is generally corporate events or activities organised by an organisation, which involves entertainment of employees and/or other parties for the benefit of that organisation. Examples of corporate hospitality includes seminars / workshop / talks on subject matters relevant to the industry and town hall sessions. Other parties may include customers, contractors, consultants, bankers, lawyers, service providers of any kind, stakeholders with whom a business relationship (whether past, present or prospective) exists and the public at large.
- (b) SMIS recognises that providing corporate hospitality be it through corporate events, sport events or other public events, is a legitimate way to network, promote goodwill and build business relationships.
- (c) While providing appropriate corporate hospitality reflects SMIS's courtesy and generosity, our Personnel must exercise proper care and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable accordingly to this Policy. More importantly, it must not be given or give rise to the perception that it is given to obtain business or advantage of any kind or unduly influence the outcome of a business decision.
- (d) Malaysia anti-bribery and anti-corruption laws impose strict restrictions on the value and level of corporate hospitality to be accorded to public officials. SMIS is committed to complying with all applicable laws and our Personnel must exercise special caution when providing corporate hospitality to public officials. Our Personnel must consult their immediate supervisor when offering any corporate hospitality to public officials.

B. Accepting Corporate Hospitality

- (a) As a general principle, our Personnel must not directly or indirectly solicit hospitality or accept hospitality of any form that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision. For instance, our

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Personnel must refrain from accepting corporate hospitality from Business Partners who are engaged in a tender or competitive bidding exercise of SMIS.

- (b) Notwithstanding the above, SMIS recognises that occasional acceptance of an appropriate level of corporate hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, our Personnel must exercise proper care and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit. More importantly, it must not be accepted or give rise to the perception that it is accepted to obtain business or advantage of any kind or unduly influence the outcome of a business decision.

6. DONATIONS AND SPONSORSHIPS

6.1 Prohibition of Donation / Contribution to Political Parties or Individual Politicians

Our Personnel and Business Partners is prohibited to make donation or funding of any kind to political parties or individual politicians or towards political campaigns or initiatives for or on behalf of SMIS. Sponsorships and donations made to charities or beneficiaries shall not be disguised as illegal payments to government officials or to fund illegal activities in violation of anti-money laundering, anti-terrorism and other applicable laws. Any request for political donation or contribution must be pre-approved by the Board and no political contribution may be made unless SMIS has received a satisfactory opinion from qualified local counsel as to its legality under applicable laws.

Our Personnel may participate in political activities in their individual capacity with their own money and at their own time but to make it clear that their individual political views and actions are personal and not reflective or representative of SMIS. SMIS will not reimburse any personal political contributions.

6.2 Charitable or Educational Donations and Sponsorships

In accordance with the Group's commitment to contribute to the community as part of Corporate Social Responsibility, SMIS will only provide charitable or educational donations and public welfare sponsorships if they are ethical and legal under applicable laws. All donation and sponsorship expenses must be approved in accordance with SMIS's standard operating procedures.

7. FACILITATION PAYMENTS

- 7.1 Facilitation payments are form of payments made personally to an individual in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function (e.g. influencing the timing of process or issuing of permits). In Malaysia, facilitation payment is illegal and is seen as a form of corruption. Regardless of whether it is legal in any other country, facilitation payment is strictly prohibited under this Policy.
- 7.2 Our Personnel and Business Partners must not directly or indirectly offer, promise or give any form of facilitation payment to any public officials for any purposes.

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7.3 There may be occasion where you are forced to make facilitation payments in order to protect your life. In such situation, you must immediately report the incident to Executive Director for the necessary action to be taken.

8. BUSINESS PARTNERS AND THEIR CONDUCT

8.1 Our Personnel must carry out proper due diligence process and comply with all applicable SMIS's standard operating procedures before on-boarding any Business Partners. This include informing them of SMIS's Anti-Bribery and Anti-Corruption Policy, all Business Partners must submit an **Anti-Bribery and Anti-Corruption Declaration** or confirmation in similar terms prior to on-boarding as SMIS's service provider.

8.2 Our Personnel must monitor our Business Partners' performance from time to time to comply with this Policy, and where breach or suspected breach arises, immediate action must be taken. Failure to comply with this Policy by our Business Partners may lead to immediate termination of contract and claim for damages.

8.3 In addition to all applicable anti-bribery and anti-corruption laws to which it may be subjected to, SMIS expects our Business Partners to comply with this Policy in relation to all dealings by them for, on behalf of or involving SMIS. Our Business Partners must also refrain and procure its affiliates to refrain from taking any action that would result in a violation of any applicable anti-bribery and anti- corruption laws and this Policy.

8.4 Unless evidence suggests otherwise, all our Business Partners are independent contractors. They are not agent of or representative of SMIS and they are not entitled or must not hold themselves out to have the authority to bind SMIS for any purpose.

9. RECORD-KEEPING

9.1 The Group must keep financial records and all other records including declaration and acknowledgement as mentioned in paragraphs 8.1 and 14.2 for a period of seven (7) years as evidence that transactions are executed, approved and recorded according to policies and procedures on anti- bribery and anti-corruption.

9.2 All transactions must be executed in line with management's authorisation, and that the company prepares accurate financial statements to conform with applicable laws and statutory requirements.

9.3 No accounts or cash funds are to be kept "off-book" to facilitate of conceal improper payments. The use of false documents and invoices is prohibited, as is the making of inadequate, ambiguous or deceptive bookkeeping entries and any other accounting procedure, technique or device that would hide or otherwise allow illegal payments.

10. RISK ASSESSMENT

- 10.1 The Board, through the Audit and Risk Committee, maintains an oversight to ensure that the Group's risk management and internal control is operating effectively and adequately in all material aspects. The Risk Management team which comprise the executive directors, senior management team, respective Heads of Department and the Audit and Risk Committee are responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control as well as taking the appropriate and timely corrective action.
- 10.2 Business or operational risks of annual risk assessment of the Group shall include assessment of business opportunity risks i.e. risks of bribery and corruption which may arise when pursuing or obtaining business opportunities.
- 10.3 Internal Auditors play an independent role in reviewing the adequacy and integrity of the internal control system of the Group and reporting to the Audit and Risk Committee.

11. MONITORING, REVIEW, AND COMPLIANCE FUNCTION

- 11.1 Our Personnel is encouraged to raise any concerns or inadequacies in the anti-bribery and anti- corruption compliance programme to the Human Resources Department.
- 11.2 Our Personnel and Business Partners are responsible for the success of this Policy and ensure that they follow the policy and procedures set out herein. Comments, queries and suggestions for improvements should be addressed to the respective Heads of Department and/or Head of Human Resources Department.
- 11.3 Regular audits shall be conducted to monitor, review, improve and assess performance, efficiency and effectiveness of ongoing anti-bribery and anti-corruption efforts by SMIS. Such audits may be conducted internally by SMIS or by an external party.
- 11.4 Human Resources Department will continue to maintain and be responsible for all anti-bribery and anti-corruption compliance matters. The department is adequately equipped to act effectively against bribery and corruption in the following manner:
- (a) provide advice and guidance on anti-corruption compliance programme and issues relating to bribery and corruption;
 - (b) take appropriate steps to ensure that there is adequate monitoring, measurement, analysis and evaluation of the anti-corruption compliance programme; and
 - (c) report on the performance of the anti-corruption compliance programme to the Management regularly.
- 11.5 The Management will be tasked with responsibility for overseeing the anti-bribery and anti-corruption compliance matters and the results of any audit, risk assessment, review of control measures and performance report shall be reported to the Audit and Risk Committee directly and acted upon accordingly.

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11.6 The Board has overall responsibility to assess, review and monitor the suitability and effectiveness of this Policy periodically, and in any event, at least once every three (3) years. Any amendments to this Policy must be approved by the Board.

12. WHISTLE BLOWING CHANNEL

12.1 If you suspect, or reasonably believe that this Policy has been, or is being breached, you have an obligation to report your concerns to your Head of Department, Head of Human Resources or the Management and where applicable, you may report such concerns using the reporting channels under the Whistle Blower Policy which is publicly available at SMIS official [website](#).

12.2 All concerns reported will be taken seriously, treated in confidential manner and investigated immediately. Your anonymity will be protected unless the disclosure is required by law pursuant to an investigation or legislation, but you may be required to provide a statement as supporting evidence to any investigation. Any retaliation directed against anyone making such report will not be tolerated.

12.3 All reports shall be made in good faith and the report must be legitimate. Anyone who makes any malicious, scandalous or vexatious report, and particularly if they persist with such untrue allegations, they will be subjected to SMIS's disciplinary actions.

13. ENFORCEMENT FOR NON-COMPLIANCE

13.1 SMIS regards acts of bribery and corruption seriously and will take appropriate actions in the event of non-compliance of this Policy. For our Personnel, non-compliance of this Policy may lead to disciplinary action and termination of employment.

13.2 For Business Partners, non-compliance of this Policy may lead to termination of contract and claim for damages.

14. TRAINING AND COMMUNICATION

14.1 Adequate training on SMIS's anti-bribery and anti-corruption approach shall be provided to Our Personnel.

14.2 All Our Personnel shall acknowledge in **Acknowledgement of Anti-Bribery and Anti-Corruption Policy** that they have read, understood and will abide by this Policy. A copy of this confirmation shall be documented and retained by the Human Resources Department for the duration of employment.

14.3 This Policy is a public document which shall be communicated to all Our Personnel and Business Partners. Our Personnel and Business Partners must read and understand SMIS's position on anti-bribery and anti-corruption.

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15. REVISIONS

15.1 This Policy will be updated, amended or revised as and when needed upon approval from the Board to ensure its adequacy in its implementation and enforcements.

This policy is reviewed and approved by the Board on 20 November 2023.