

Anti-Bribery and Corruption Policy

1. Purpose

This policy is established for VSTECS Berhad (“**VSTECS**” or “**the Company**”) and all its subsidiary companies within the VSTECS Group, hereinafter referred to as “**the Group**” for the purpose of compliance with the Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendment (“**MACCA**”).

2. Scope

This policy applies to Directors, Management and employees of the Group.

This policy applies to any vendors, partners, associates or individuals in the performance of their assignment or conducting business for or on behalf of the Group.

3. Definitions

The definitions for “bribery” and “corruption” are stated below:

Bribery : Bribery is an inducement offered to procure wrongful or illegal service. It is any action that would be considered as an offence of giving or receiving “gratification” which is defined in Section 3 of MACCA.

Corruption : Corruption is the abuse of entrusted power for personal or private gain. It generally refers to obtaining a personal benefit or business advantage through improper or illegal means.

4. VSTECS’ Commitment

The Group is committed to conduct its business dealings with principles and integrity. The Group’s core principles and values are set out in the Group’s Code of Ethics and Code of Conduct, which are listed on the VSTECS website: www.vsteecs.com.my.

Bribery and corruption arrangements with customers, suppliers, government officials or third parties to obtain gratification for personal benefit or business advantage through wrongful or illegal means are strictly prohibited. Corrupt activities could potentially be a serious violation of anti-corruption laws resulting in severe statutory penalties.

The Group is committed to prevent bribery and corruption by adopting zero tolerance on such illegal activities.

5. Programme

The Chief Executive Officer is responsible for the Programme of this Policy.

VST ECS Berhad
(Registration No: 199501021835) (351038-H)
Anti-Bribery and Corruption Policy

5.1 Risk Assessment

Identify, analyse, assess and prioritise bribery and corruption risk in terms of its likelihood and impact of occurrence by using an Enterprise Risk Management (“ERM”) framework.

The ERM Committee meets quarterly to review the Group Risk Profile based on ranking and after risk mitigation. The Group Risk Profile is reported to the Audit Committee for its approval and update to the Board of Directors.

5.2 Control Measures

To establish policies and procedures on anti-bribery monitoring system for:

- a) Gifts, entertainment, hospitality and travel expenses
- b) Sponsorships and donations, including political donations
- c) Facilitation payments
- d) Discounts and rebates
- e) Financial controls such as separation of duties and approving powers or multiple signatures for transactions
- f) Conflict of interest

5.3 Systematic Review, Monitoring and Enforcement

The Compliance Committee would ensure that internal controls, financial reporting and record keeping processes are monitored and enforced to counter bribery.

Audit Committee and ERM Committee shall review the results of internal audits of the Programme with Senior Management to assess its effectiveness and identify areas for improvement.

5.4 Accountability and Assurance

Heads of Subsidiaries and Business Units are accountable for implementation of the Programme and they will provide regular written assurance that the Group’s Programme is being implemented.

5.5 Training and Communication

Training for Directors, Management and employees is provided for them to understand the Policy and its Programme so that they know the implications to the Group and the persons responsible for the compliance of the Policy.

This Policy will be posted on the Company’s website at www.vstecs.com.my for the Group’s stakeholders namely shareholders, employees, principals, vendors, resellers, service providers, customers and business associates.

5.6 Human Resources

To conduct due diligence prior to the recruitment of directors, senior managers and employees. This Policy will be included into the orientation training for new employees.

To organise regular training that emphasizes mandatory compliance of the Programme for all employees.

VSTECS Berhad
(Registration No: 199501021835) (351038-H)
Anti-Bribery and Corruption Policy

5.7 Implementation

The implementation of the Programme would be supported with the Group's operation policies.
The main policies are:

- a) Credit control
- b) Inventory control
- c) Procurement
- d) Sales management
- e) Business entertainment
- f) Business travel

6. Reporting of Policy Violations

Employees are encouraged to report their concerns promptly whenever they encounter suspected or actual violation of this Policy to the relevant persons below:

- a) Audit Committee Chairman
En. Abdul Aziz Bin Zainal Abidin at aazizzabidin59@gmail.com
- b) Chairman of the Board of Directors
Mdm. Lee Marn Fong @ Wu Marn Fong at email: mffoo@vsteecs.com.my
- c) Chief Executive Officer
Mr. Soong Jan Hsung at email: jhsoong@vsteecs.com.my

Further information on the reporting channel is provided in VSTECS Whistle Blowing Policy and Procedures listed on the Company's website at www.vsteecs.com.my.

The Group will ensure that the whistle blower will be safeguarded and not suffer any detrimental treatment as a result of reporting a bribe or other corrupt activities regardless of the outcome of any investigation.

7. Non-Compliance

The Compliance Committee will conduct regular validation to ensure compliance of this Policy. Non-compliance identified by the Compliance Committee or through other risk assessments will be reported to the Audit Committee.

Disciplinary action including termination of employment will be taken against any employee for the non-compliance of this Policy.

VSTECS Berhad
(Registration No: 199501021835) (351038-H)
Anti-Bribery and Corruption Policy

8. Policy Review

This Policy will be revised and updated annually or as the need arises to maintain its effectiveness and relevance. The Chief Financial Officer will propose any revision to the Audit Committee for its approval and update to the Board of Directors.

History of Anti-Bribery and Corruption Policy

Date	Description
22 May 2020	Establishment of Anti-Bribery and Corruption Policy
24 July 2020	Review of Anti-Bribery and Corruption Policy; and Amended pursuant to Board of Directors' approval on 24 July 2020.
25 March 2022	Updated subsequent to the appointment of Madam Lee Marn Fong @ Wu Marn Fong as Non-Independent Non-Executive Chairman with effect from 16 February 2022.