

ARTRONIQ BERHAD
(formerly known as Plastrade Technology Berhad)

ANTI-CORRUPTION POLICIES (WEB VERSION)

ARTRONIQ

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Company No: 200201023414/591077-X

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PREAMBLE

Policy Statement

ARTRONIQ BERHAD (“ARTRONIQ”) strives to conduct the business in line with highest standards of integrity, responsibility and accountability. Pursuant to these ethical standards, ARTRONIQ and its subsidiary companies (“ARTRONIQ Group”) has adopted a stand of zero tolerance towards all forms of corruption, especially in respect of bribery, malpractice and misconduct.

Introduction

This Policy covers ARTRONIQ Group’s general principles and standards on anti-corruption as well as maintenance of business documentation and financial records for reasons of accountability and responsibility. It reinforces ARTRONIQ Group’s zero tolerance towards all forms of corruption and ARTRONIQ Group’s commitment to maintaining accurate records of our business dealings.

This Policy is in line with Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”) and advocates similar principles and standards in ARTRONIQ Group’s business management and approach.

In recognition of these aspirations, the Board of Directors (“BOD”) and Management have engaged an anti-corruption program which is inspired by the Guidelines on Adequate Procedures as promoted by the Prime Minister’s Department of Malaysia pursuant to subsection (5) of Section 17A of MACC Act 2009, as provided in Section 4 of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Amendment Act 2018”). The provision of Section 17A under MACC Act 2009 establishes the principle of criminal liability (corporate liability) for corrupt practices of employees and/ or any person(s) associated with the organisation in cases where such corrupt practices are carried out for the organisation’s benefit or advantage.

1. Objectives of the Policy

The principal objectives of this Policy are to assist ARTRONIQ Group in preventing the occurrence of corrupt practices in business activities, especially in the deterrence of corruption, bribery and malpractices or illegal activities that may arise in the day to day course of business.

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2. Coverage of the Policy

This Policy shall apply to all companies within ARTRONIQ's Group. This includes all individuals working at all levels and grades, including senior managers, managers, officers, directors, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, volunteers interns, agents, sponsors, clients, suppliers, any third party and any other person associated with ARTRONIQ Group.

3. Compliance with Laws and Regulations

ARTRONIQ Group will uphold all laws relevant to countering bribery and corruption. ARTRONIQ Group remains bound by the laws of Malaysia, including MACC Act 2009, in respect of our conduct both at home and abroad.

Staff are required to report any suspicion of breaches of the Policy in accordance with ARTRONIQ Group's Whistleblowing Policy & Procedures. ARTRONIQ Group shall make a report to the relevant enforcement authority upon actual conviction by the staff i.e. breach of regulation or statutory law following investigation and final decision made by the Board of Directors / Audit Committee. All whistleblowers are assured of protection in respect of their identity in accordance with the Whistleblower Protection Act 2010 that has been in force.

4. Infringement of the Policy

Any infringement of this Policy shall constitute a serious misconduct or offence warranting disciplinary action or reprisal against the offender. Offender participating in bribery and corruption can be subject to penalties of MACC Act 2009.

5. Responsibility of the Policy

Every party is responsible for adhering to these standards in our business interactions, and we must ensure that all parties retained by us understand that they are responsible for complying with this Policy when acting on behalf of the ARTRONIQ Group.

This is a guidance to Management and all employees on addressing issues relating corruption. Improper solicitation, bribery and other corrupt practices and activities may arise in the ordinary course of business. It is the responsibility of every party associated with ARTRONIQ Group to strictly adhere to ARTRONIQ Group's requirements and responsibilities.

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6. Forms of Corruption

Corruption and bribery can take many forms including but not limited to the following:

- Facilitation payment
- Kickbacks
- Gifts
- Corporate Hospitality
- Entertainment
- Political Donation
- Charitable Contribution
- Any Other Form of Unorthodox Payment

Outlined below are the general policies of ARTRONIQ Group that address the various areas of anti-corruption applicable to all directors, employees and stakeholders of ARTRONIQ Group.

7. Facilitation Payment

Facilitation Payment (also known as grease payment) are payments made for certain services or to accelerate certain processes that is otherwise legally entitled by the person without making any payment. These are bribes, regardless of whether they may be a part of the “way of doing business” in a particular country.

ARTRONIQ Group adopts a strict policy of disallowing the use of facilitation payment in its business. Personnel should decline to make payment and report such request to the respective HOD or ED immediately when they encounter any request for facilitation payment.

8. Kickbacks

ARTRONIQ Group strictly prohibits all employees and directors from engaging in kickbacks. A kickback is any payment, not reflected on the face of a business contract that is required to be made to a government agency, a government official, or a private individual in order to conclude the business agreement.

Where the kickback is being extorted and/or any employee of ARTRONIQ Group is being coerced to pay and their safety or liberty is under serious threat and they have no alternative but to make the kickback in order to protect their life, limb or liberty, the affected employee must immediately report the matter to the HOD or ED. In the case of their unavailability, please report to the AC Chairman as soon as possible.

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9. Gifts

ARTRONIQ Group practises a “No Gift” Policy, which means that gifts can only be given or received under very limited exceptions. ARTRONIQ Group requires all its employees to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in an on-going or potential business dealing as a gift can be seen as a form of bribery that may tarnish ARTRONIQ Group’s reputation or be in violation of any applicable corruption law.

Employees are responsible to inform the parties involved in any business dealings with ARTRONIQ Group that ARTRONIQ Group practices a strict “No Gift” Policy and to request the relevant parties’ understanding for and adherence to this Policy.

However, ARTRONIQ Group recognises that the exchange of gifts may be a central part of business etiquette in certain cultures. ARTRONIQ Group also recognises that it is a legitimate way of building business relationships and is a common practice within the business environment to foster good business relationship with stakeholders or clients.

Although the Group practises “No Gift” Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted.

10. Corporate Hospitality

Corporate hospitality is generally defined as “corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”. Third parties may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historical exists.

Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate or illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the outcome of a business decision by providing the corporate hospitality.

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11. Entertainment

Provision of modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external clients. As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

Employees are strictly prohibited from providing or offer to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of corruption and contrary to the general values and principles of ARTRONIQ Group.

The occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships. However, it is important for employees to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard ARTRONIQ Group's reputation, but also to protect employees from allegations of impropriety or undue influence.

12. Political Donation

ARTRONIQ Group is not a political organisation, therefore it does not support political parties or contribute funds to groups whose activities are calculated to promote party interests or the election of a specific candidate.

Good faith payments to a government entity such as payments to government agencies required by contract or law, are not prohibited, so long as they are made with due care to the government entity and not to any individual official.

ARTRONIQ Group encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Group for a personal political contribution.

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13. Charitable Contribution

Charitable contribution may only be given to recognised non-profit charitable organisations.

All donation must be transparent and properly recorded in our books and records. Receipt or a letter of acknowledgement from the charitable organisation must be obtained to ensure that the donations receive the proper tax treatment.

Donation must not be made to individuals or in cash or be made at the request of a public official as an inducement to or reward for acting improperly.

In accordance with ARTRONIQ Group's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:

- Ensure such contributions are allowed by applicable laws;
- Obtain all the necessary internal and external authorisations;
- Made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- Accurately stated in the company's accounting books and records; and
- Not to be used as a mean to cover or as conduit for undue payment or bribery.

14. Conflicts of Interest

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 for or on behalf of ARTRONIQ Group. All employees must avoid situations in which their personal interest would conflict with their duties and responsibilities. All employees must not use their position, official working hours, ARTRONIQ Group's resources and assets, or information available to them for personal gain or to ARTRONIQ Group's disadvantage.

15. Regular Monitoring and Review

Regular audits should be conducted to monitor, review, improve and assess performance, efficiency and effectiveness of ongoing anti-corruption efforts by ARTRONIQ Group. Such audits may be conducted internally or by an external party. The results of any audit, risk assessment, review of controls and performance should be reported to the Board of Directors / Audit Committee on a periodic basis.

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16. Training

Training shall be provided on a periodic basis, in accordance with the level of bribery and corruption risk related to the position and function. Awareness programmes shall be conducted for all employees in ARTRONIQ Group and practices regarding anti-corruption, integrity and ethics shall be communicated accordingly.

17. Record Keeping

ARTRONIQ shall keep detailed and accurate financial and other records, and shall have appropriate evidence of all payments made. ARTRONIQ Group shall report and keep a written record of the amount and reason for gifts, hospitality and entertainment received and given, including donations, sponsorships and expenses of similar nature, and understand that such expenses are subject to the Board of Directors' / Management's review.

-END OF POLICY -