

# **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

**SBS Digital Holdings Sdn. Bhd. & Group of Companies**  
**(“Collectively Known as SBS Group”)**

## 1. INTRODUCTION

SBS Digital Holdings Bhd and its group of companies (collectively known as “SBS Group” or the “Group”) recognises the importance of establishing and upholding good corporate governance in its daily business operations in accordance with the highest ethical standards and in full compliance with all applicable laws, regulations and/or standards in all jurisdictions in which the Group operates.

The Group has at all material times adopt a zero tolerance approach against all forms of bribery and corruption within the Company and remains committed to comply with all laws and regulations which govern the Company’s business and operation to the highest standards of ethical conduct and integrity, professionally and fairly.

## 2. SCOPE

This policy is applicable to the SBS Personnel, its subsidiaries (“SBS Group” or “Group”) and Business Associates acting on SBS Group behalf. Joint venture companies and associated companies are encouraged to adopt these or similar principles.

## 3. DEFINITION

“**Audit Committee**” means the Audit Committee of SBS Group.

“**Board of Directors**” means the SBS Group Board of Directors.

“**Bribery & Corruption**” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (“MACCA”). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation.

Bribery may be ‘outbound’, where someone acting on behalf of SBS Group attempts to influence the actions of someone external, such as a Government official or client decisionmaker. It may also be ‘inbound’, where an external party is attempting to influence someone within the Company such as a senior decision-maker or someone with access to confidential information.

“**Business Associate**” means an external party with whom SBS Group 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 at SBS Group.

“**Donation & Sponsorship**” means charitable contributions and sponsorship payments made to support the community.

“**Gratification**” is defined in the MACCA 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).

“**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 and golf course.

“**Personnel**” means Directors and all individuals directly contracted to the Company on an employment basis, including permanent, temporary employees and interns.

#### 4. RECOGNITION OF RELEVANT LEGISLATION

SBS Group is compliance with all applicable laws and regulations on bribery and corruption, i.e., subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Amendment Act 2018”).

In case where there is a conflict between mandatory laws of each country and/or jurisdiction, and the principles contained in this policy and related policies herein, the law shall prevail.

#### 5. OBJECTIVE

This policy sets out SBS Group overall position in observing and upholding SBS Group stance against bribery and corruption in all its forms, as well as to provide guidance and information on the recognition of bribery and corruption and methods of dealing with such circumstances.

## **6. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

SBS Group prohibits all forms of bribery and corruption in relation to all its activities. Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. SBS Group's Personnel and its Business Associates shall not whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of the Group or the persons involved in the transaction.

The anti-bribery and corruption statement applies equally to its business dealings with commercial ('private sector') and Government ('public sector') entities, and includes their directors, officers, agents and other appointed representatives.

No employee or external party will suffer discrimination, demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

## **7. CONFLICT OF INTEREST**

Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company.

All Personnel should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, Group's resources and assets, or information available to them for personal gain or to the Group's disadvantage.

## **8. GIFTS & HOSPITALITY**

As a general rule, employees are discouraged from giving or accepting gifts, entertainment and other benefits to or from business partners. Notwithstanding this, the Group recognizes that the occasional acceptance or offer of modest gifts and entertainment may be a legitimate contribution to good business relationships. The maximum amount for both gifts and hospitality is capped at RM5,000.00 per company per year only. The authority limit refers to LOA.

Generally, all invitations to business luncheons or dinners may be given or accepted by the employees. Employees receiving or giving the gifts, entertainment and other benefits are responsible for assessing whether it is appropriate and within the boundaries set out in this Code. The following rules and guidelines shall be observed:

- a) Exchange of gifts or the corporate gifts of nominal / appropriate value at the company-to company level (for example: gifts exchanged between companies as part of official visit);
- b) Festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions;

- c) Gifts given to external organisations or individual in relation to company official function, work-related conferences, corporate events and activities (for example: door gifts or commemorative gifts to all that attending the events);
- d) Corporate gifts bearing the Company's name and logo are of nominal / appropriate value.

## **9. FACILITATION PAYMENTS**

SBS Group prohibits the use of Facilitation Payments in its business dealings. Employees must never directly or indirectly pay, offer, solicit or receive bribes of any forms including facilitation payments whether inside or outside of Malaysia.

Facilitation payment is an unofficial payment or other provision made personally to an individual intended to secure or expedite the performance of a routine or administrative duty or function. Although Facilitation Payment may be allowed in other jurisdictions, Facilitation Payment is illegal in Malaysia and is considered as an act of corruption.

It is usually small bribe payments (usually paid to low-level officials) made directly or indirectly to secure or speed up performance of a routine or to avoid bureaucratic delays and red tapes that may slow down certain business dealings. These payments are intended to influence the timing of public officials' action such as speed up the clearing goods through customs, processing visas and scheduling inspections.

## **10. DONATION AND SPONSORSHIP**

SBS Group may offer charitable donations and sponsorships, provided that they are ethical and legal under applicable laws and not with the intention to influence any business decisions or cause others to perceive it as such. The maximum amount for both donation and sponsorship is capped at RM5,000.00 per company per year only. The authority limit refers to LOA.

When and where pre-approval is required according to these guidelines, the requesting employee shall use the Gifts, Benefits, and Sponsorship Declaration Form (Appendix A) to submit their application for approval.

## **11. ENTERTAINMENT**

It is a common practice within the business environment to provide entertainment to foster business relationships by providing reasonable and proportionate entertainment under appropriate circumstances. SBS Group's 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.

SBS Group Personnel is expected to always exercise proper care and good judgement when providing entertainment to external parties.

## **12. RECRUITMENT AND PROMOTION**

SBS Group recognises the value of integrity in its Personnel and Business Associates. The Company's recruitment, training, performance evaluation, remuneration, recognition and promotion for all SBS Group Personnel, including management, shall be designed and regularly updated to recognise integrity.

## **13. STAFF DECLARATION**

All SBS Group Personnel 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 Human Resources Department for the duration of the Personnel's employment.

## **14. SYSTEMATIC REVIEW & MONITORING**

SBS Group recognises that managing an anti-bribery and corruption programme is a continuous process, risk assessment and a systematic review and monitoring process is necessary to ensure its objectives are being met. The Audit Committee will be responsible for overseeing the process of reviewing the effectiveness and compliance to the anti-bribery and corruption programme and policy. The reviews may take the form of independent audits carried out by an external party, where necessary.

## **15. CORRUPTION RISK ASSESSMENT ("CRA")**

SBS Group shall conduct corruption risk assessments ("CRA") once every year and record into the Corruption Risk Register. A SBS Group High Level corruption risk assessments ("HCRA") shall be assess once every 3 years to identify the bribery and corruption risks affecting the business and reporting its results for the board and its Audit and Risk Management Committee ("ARMC") review.

## **16. DUE DILIGENCE**

SBS Group shall conduct due diligence processes on business associates, transactions and hiring of potential employees, where there is significant exposure to bribery and corruption risk. Scope of due diligence may vary depending upon the circumstances / nature of each proposed transaction.

On business associate and transactions, consider below factors:

- a) Background check, company profile and market feedback, project involved and status
- b) Comparison to market price, conduct tender / obtain quotations
- c) Conflict of interest disclosure

Existing employees should disclose any potential conflict of interest (please refer to conflict of interest policy) during their course of actions in the decision process.

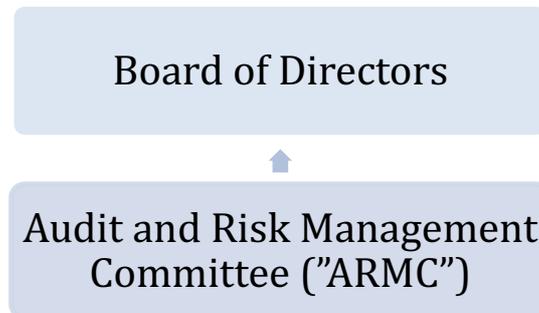
On hiring of potential Employee, due diligence should be conducted to:

- a) Verify the accuracy of a prospective Employee's qualifications and interview.
- b) Obtaining satisfactory references, conduct background check which include performance, attendance, attitude check where necessary.

c) Conflict of interest disclosure

All SBS Group's employees are expected to make disclosure on any "conflict of interest" occurrence and submit it to the HR Department for record.

**17. ANTI-CORRUPTION OVERSIGHT STRUCTURE ("ACOC")**



Roles and responsible;

**I. Board of Directors ("the Board")**

- Supervising all anti-bribery and corruption efforts.
- Approving and periodically reviewing ABC policies.
- Guaranteeing that the ABC Policy meets the Group's legal and ethical duties.
- Establishing the tolerance level for bribery and corruption risks.
- Concluding reviews and making decisions (as needed by the Board) regarding bribery and corruption risk assessments, audits, investigations, and related matters.

**II. Audit and Risk Management Committee ("ARMC")**

The Audit and Risk Management Committee helps the Board with these anti-corruption tasks:

- Making sure the Group follows the anti-corruption goals and plans set by the Board.
- Checking how much risk the Group has for corruption and suggesting good ways to manage it.
- Looking at how well the current anti-corruption plans are working.
- Figuring out what resources are needed to fight corruption effectively.
- Checking how well the Group is doing in fighting corruption and following the plans already set (including audits by third parties).

## **18. ANTI-BRIBERY AND CORRUPTION FRAMEWORK AND PRINCIPLES**

### **I. Top Level Commitment**

- The Board ensures the existence of a well-defined and clearly articulated Group ABC policy.
- Formal approval of the zero-tolerance policy against bribery and corruption is obtained from the Board.
- High-level executives take clear ownership of implementing and maintaining ABC controls.
- Board meetings regularly include discussions on ABC issues and related policies, showcasing their active consideration.
- The Board oversees the public disclosure of the zero-tolerance policy on bribery and corruption, along with supporting policies and implementation details, ensuring transparency and accountability to stakeholders.

### **II. Risk Assessment**

- A structured risk assessment evaluates bribery and corruption risks in markets, countries, and sectors where the company operates or plans to operate.
- Risk assessments shall be assessed once every 3 years to identify the bribery and corruption risks affecting the business and reporting its results for the board and its Audit and Risk Management Committee (“ARMC”) review.
- There is a reporting process to ensure thorough review of bribery and corruption risk assessments, with clear communication to the Board of Directors.

### **III. Undertake Control Measures**

- Clear criteria determine when due diligence regarding bribery and corruption risks is necessary.
- Well-defined ABC due diligence procedures are in place for mergers, acquisitions, and joint venture projects.
- Processes exist to manage identified risks for contracts or entities flagged as high risk during due diligence.
- A transparent investigation process handles ABC-related matters and reports received via the Whistleblowing channel.

### **IV. Review, Monitoring & Enforcement**

- The ABC compliance function reports directly to the ARMC and administratively to the Board of Directors.
- A confidential Whistleblowing channel allows stakeholders to report concerns securely, with protection for whistleblowers assured.
- All confidential reports are meticulously recorded and investigated according to the Whistleblowing Policy, with measures taken to prevent recurrence.
- Reviews or audits on ABC risk assessment and control measures inform improvements in the Group’s Anti-Bribery System.

V. Training & Communication

- The organization effectively communicates its ABC policies to both its Associates and Business Associates, ensuring their commitment to uphold equivalent principles.
- ABC policies are communicated to joint venture partners, and their commitment to adhere to similar principles is obtained.
- Associates and Business Associates receive guidance and advice on ABC matters to ensure compliance with policies.

**19. RECORD KEEPING**

SBS Group Personnel must ensure that all expense claims relating to hospitality, gifts or expenses incurred to Business Associates and/or any person are submitted in accordance with the Group's applicable policy and specifically record the reason for such expenditure. SBS Personnel shall further ensure that all expense claims shall comply with the terms and conditions of this policy.

**20. REPORTING OF POLICY VIOLATION**

It is the responsibility of SBS Group Personnel to prevent, detect and/or report any bribery and other forms of corruption.

Suitable reporting channels have been established and maintained for receiving information regarding violations of this policy, and other matters of integrity provided in good faith by SBS Group Personnel and Business Associates and is provided for under the Whistle Blowing Policy. For further details, the Whistle Blowing Policy of SBS Group is available at the Company's corporate website, [www.sbsgroup.com.my](http://www.sbsgroup.com.my).

Reports made in good faith, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

Retaliation in any form against SBS Group Personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any SBS Group Personnel found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which SBS Group may pursue.

**21. TRAINING AND COMMUNICATION**

SBS conducts mandatory annual awareness programs for existing employees to refresh their understanding of anti-bribery and anti-corruption measures, continuously promoting integrity and ethics. And for new employees, the ABAC policy will be addressed during orientation.

## **22. CONSEQUENCES OF NON-COMPLIANCE**

SBS Group regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this policy. For SBS Group Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.

For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that SBS Group interests have been harmed by the results on non-compliance by individuals and organisations.

## **23. REVIEW OF THE POLICY**

This policy has been endorsed by the Board of Directors and is made available for reference on Company's corporate website and internal circulation to SBS Group Personnel through email.

It shall be reviewed by the Board of Directors once every three years or whenever necessary to ensure its effective implementation. Any subsequent amendments to this Policy should be approved by the Board of Directors upon recommendation by the Audit Committee.