



**TRI-MODE SYSTEM (M) BERHAD**  
(COMPANY NO: 229265-X)

**ANTI-CORRUPTION AND ANTI-BRIBERY POLICY (“Policy”)**

**INTRODUCTION**

Tri-Mode System (M) Berhad (“Tri-Mode” or “the Company”) and its subsidiaries (“the Group”) are committed to the highest standard of corporate governance and business integrity.

Corruption and bribery have been a major problem to socio-economic development, distorting fair and equal business practices. The Group believes that honesty and integrity provide the best foundations for the Group and committed to acting professionally, fairly and integrity in all our relationships and business dealings.

This Policy serves as a general guideline on how our employees and business associates should respond to the violation and risk of corruption and bribery. The intention of this Policy is to provide a basic outline towards a better understanding of the risk associated with corruption and bribery and your obligations to actively prevent its occurrence.

**APPLICABILITY**

This Policy applies to all individuals working at all levels and grades, whether permanent, fixed term or temporary within the Group, business associates which covered consultants, contractors, vendors, clients and any other person with the Group (“Business Associate(s)”).

**OBJECTIVES**

The objective of this Policy is to set out the Group’s position on bribery in all its forms and matters of corruption that might confront the Group in its day to day operations. This Policy provides information and guidance on standards of behaviour to which a person must adhere to and how to recognise as well as deal with bribery and corruption.

This Policy is not intended to be exhaustive, and there may be additional obligations that directors and employees are expected to adhere to or comply with when performing their duties. For all intents and purposes, the directors and employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

**BRIBERY AND CORRUPTION**

Bribery and corruption mean giving, offering, soliciting or receiving of any gratification or unearned reward with the intention of influencing the behaviour of someone in order to obtain or retain a commercial/personal interest or advantage.

**GRATIFICATION**

***Definition under section 3 of Malaysian Anti-Corruption Commission (“MACC”) Act 2009***

- (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;



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- (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).

### **POLICIES & PROCEDURES**

#### **1. Gifts**

A gift or a present is the transfer of something without the expectation of receiving something in return.

- a. Giving or accepting non-monetary gifts is allowed without pre-approval if it is of nominal value (a small value that could not see as an attempt to induce someone to misuse their position).
- b. Giving or accepting non-monetary gifts which are given regularly and often is NO allowed.
- c. The gift is not easily convertible into cash.
- d. Valuable items received as gifts will be returned, or disposed of as agreed by management.

#### **2. Hospitality and Entertainment**

Hospitality, travel and entertainment are legitimate expenditures which companies often use to build and maintain good business relationships.

- a. Entertainment, travel, accommodation and meals must serve a legitimate business purpose.
- b. Do not give or accept lavish or frequent entertainment which is not hosted.
- c. The activity must be legal and will not create any obligation or expectation on the recipient.
- d. The expenses will be fully documented including purpose, value and subject to management's approval.

#### **3. Facilitation Payment and Kickback**

Facilitation payments are bribes made to secure or expedite the performance of routine official action (such as processing government papers, issuing licenses or permits, clearing goods through customs or obtaining adequate police protection etc.) to which the company is entitled.

Kickback are typically an amount of money or commission that is paid/received to/from someone illegally in exchange for secret help or work.

- a. The Group PROHIBIT all its employees from making or accepting, facilitation payments or kickbacks of any kind. Business associates must avoid any activity that might lead to a facilitation payment or kickback being made or accepted.
- b. Any request for a facilitation payment MUST be refused and the matter MUST be reported immediately to the Company through the Whistleblowing Policy.



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### **4. Donations, Sponsorship and Corporate Social Responsibilities**

As a responsible corporate citizen, Tri-Mode is committed to contributing to the well-being of the people and nation in Malaysia and countries where it operates. It is however important that all donations and sponsorships are made with prior authorisation by Tri-Mode's senior management.

Generally, all sponsorships and donations must comply with the following:

- a. Ensure such contributions are allowed by applicable laws;
- b. Obtain all the necessary internal and external verification and authorisations;
- c. Ensure such contributions are made to well established entities that have an adequate organisational structure to guarantee proper administration of the funds;
- d. All sponsorships and donations must be accurately stated in the Company's accounting records with proper supporting evidences; and
- e. Should not use as a means to cover up an illegal payment or bribery.

### **5. Political Contributions**

Tri-Mode does NOT make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.

If any contribution is made, it must be permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return. It must be properly stated in accounting records with supporting evidences.

### **6. Money Laundering**

Tri-Mode strongly objects to practice money laundering, including dealing in the proceeds of criminal activities.

To avoid violating anti-money laundering laws, employees are expected to always conduct reasonable due diligence on customers and counterparty to understand the business and background of the prospective business customers and counterparties and to determine the origin and destination of money, property and services.

### **7. Conflict of Interest**

Conflict of interest arises when there is a clash between a person's duties and their personal interests (involved family members or someone close to him/her) where the personal interests may influence the performance of their duties.

- a. All employees are called upon to avoid situations in which their personal or financial interests' conflict or could conflict with the interests of the Group.
- b. A self-declaration to the superior of potential conflict of interest when arise.
- c. The employees required to recuse themselves whenever there is a potential or perceived conflict of interest when making decision.

### **8. Discount, Rebate and Commission**

It is common practice that companies offer discounts, rebate and incentives as part of the sales process in order to gain or retain businesses, especially in the competitive business environment.

Discounts that we provide and commissions that we pay in connection with sales must be appropriate, properly authorised and approved, and offered for legitimate business reasons.



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It is important to ensure that no such discount or commission ends up in the pocket of a public sector official or is otherwise used to fund corrupt or inappropriate activities.

A significant, non-standard discount, rebate, or other incentive is a common red flag indicating possible corruption. For example, the following significant, non-standard discount is PROHIBITED:

- a. Create a fund held by partner, supplier, customer, or third party for purposes other than as reflected on the transaction documents provided to the Company. For example, increasing the discount or rebate on a transaction to create an undisclosed or "off the books" budget or pool to be used for marketing, travel or entertainment;
- b. Fund gifts, travel and entertainment or bribes; and
- c. Compensate undisclosed third parties.

Therefore, any significant non-standard discount, rebate, or other incentive must obtain authorisation from the senior management and documented in accounting records.

### **BUSINESS ASSOCIATES**

- a. As part of the Group's commitment to combat bribery, the Group expects all Business Associates to refrain from bribery.
- b. If suspicion of bribery and corruption arises in the dealings with any Business Associate, the Group shall seek an alternative provider of the services / goods.
- c. The Group expects all Business Associates acting on behalf the Group to contractually agree to refrain from bribery and corruption, and to adhere to this Policy.
- d. If the Group is not satisfied that bribery and corruption prevention has been upheld, due diligence shall be undertaken with regards to any Business Associate intending to act on the Group's behalf.
- e. The extent of the due diligence should be risk-based and shall include a bribery risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another.
- f. The Group shall endeavour to include clauses in all contracts enabling the Group to terminate any contract in which bribery or corruption has been observed.
- g. The Group strives to build and strengthen its relationships with Business Associates. In ensuring that the Business Associate adhere to industry best practice and accepted standards of behaviour, Business Associates may be required to complete the Business Partner Compliance Verification form, where deemed necessary based on circumstantial requirements.
- h. Guidance and standards for appropriate practices and behaviours are expected to also be regulated to prevent corrupt practices.



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### **RESPONSIBILITIES OF EMPLOYEES**

Employees are responsible for understanding and complying with this Policy. In particular, the role of all employees includes the following:

- a. Be familiar with applicable requirements and directives of this Policy and communicate them to subordinates;
- b. Promptly record all transactions and payments accurately and in reasonable detail;
- c. Always raise suspicious transactions to immediate superiors for guidance on next course of action; and
- d. Promptly report violations or suspected violations through appropriate channels.

### **WHISTLEBLOWING CHANNEL**

The Group has established a Whistleblowing Policy which details the Group's policies and procedures in relation to disclosure of any known suspected wrongdoings occurred in the Group.

Anyone who encounter actual or suspected violations of this Policy are required to report their concerns. The parties are responsible to ensure that suspected bribery and corruption incidents are reported promptly via the procedures set out in the Whistleblowing Policy which is made available in the Group's website.

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 disciplinary actions.

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.

### **TRAINING AND COMMUNICATION**

This Policy is a public document which published in our website and shall be communicated to all our employees and Business Associates. Our employees and Business Associates are required to understand Tri-Mode's position on anti-bribery and anti-corruption.

Adequate training on this Policy shall be provided to our employees, especially to new recruits. This Policy must be communicated to all the new Business Associates at the outset of our business relationship with them and as appropriate thereafter. Wherever possible, all the Business Associates 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's website.

### **REVIEW & MONITORING**

The Group is committed to continually improving its policies and procedures relating to anti-bribery and anti-corruption. Therefore, a systematic review and monitoring process is necessary to ensure its objectives are being met.



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The Audit and Risk Management Committee will be responsible to oversee the process of reviewing the effectiveness and compliance to this Policy regularly. The reviews may take the form of internal audits carried out by internal auditor in the audit planning program.

The scope of the review should include evaluations of the design, effectiveness and compliance and provide recommendations for improvements, where required to ensure that this Policy remain relevant and adequate.

### **RECORD KEEPING**

The Company and the respective business units will keep financial records and have appropriate internal controls in place which will evidence the business reasons for making payments to, and receiving payments from, any person.

Employees 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 Company's applicable policy and specifically record the reason for such expenditure.

Employees shall further ensure that all expense claims shall comply with the terms and conditions of this policy.

### **AMENDMENT, MODIFICATION AND WAIVER**

This Policy may be modified, amended from time to time or waived subject to the disclosure and other provisions of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad and any other applicable regulations of other regulatory entities.

Dated: 21 May 2020

**PENALTIES** under Malaysian Anti-Corruption Commission (“MACC”) Act 2009

**S17A (6&7)** A person deemed to be associated CO: Director, Partner, Employee, Person who perform services for/on behalf of Commercial Organisation.

**S17A (2) PENALTIES:** Any commercial organisation which commits an offence shall, on conviction, be liable to:

