



Date : 1 June 2020

To : VERSATILE CREATIVE BERHAD ("VCB") BUSINESS ASSOCIATE

INTEGRITY PLEDGE FOR VCB GROUP'S ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

On 1 June 2020, the Malaysian Government has enforced the Corporate Liability provision under the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018.

At VCB, we uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which VCB operates and does not tolerate any form of bribery and corruption.

In line with this, we would like to attach a copy of VCB's Anti-Bribery and Anti-Corruption Policy for your understanding and compliance. We would request that your esteemed organization refrains from offering any kind of gratification to VCB employees, which may be interpreted as improper influence of business decision.

We wish to advise that any non-compliance with our policy may result in legal and disciplinary action being taken against our business associates and employee, which will include reporting the matter to the Malaysian Anti-Corruption Commission (MACC) as imposed by the law for further action.

In the event you are approached by any of our employees soliciting any forms of gratification, **please report this matter to the undersigned at hadi.vcb@vc-b.com.my or to our Internal Audit at spyap@sterlingbizgroup.com immediately.**

We thank you for your kind support and cooperation with regard to the enforcement of abovementioned Policy. Please acknowledge your support by returning a signed copy of this letter to us in one (1) week time.

Yours faithfully
VERSATILE CREATIVE BERHAD

Acknowledged & Accepted by:

KHAT CHEE HOW
Executive Director

Company Name:
Name:
Position:
Date:



VERSATILE CREATIVE BERHAD
[Registration No. 200301001350(603770-D)]

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1. INTRODUCTION

This Anti-Bribery and Anti-Corruption Policy (“Policy”) sets out the responsibilities of Versatile Creative Berhad (“VCB” or “the Company”) and all its subsidiary companies (collectively, “the Group”) and those who work for the Group on the requirement to observe and uphold the Group’s zero-tolerance position on corrupt gratification and its associated activities.

This Policy provides a source of information and guidance for those working for the Group. It helps them recognise and deal with corrupt gratification, as well as understand their responsibilities

This Policy applies to Employees, Business Associates and Third Parties.

Definitions

- **Employees** means all individuals directly contracted to the Group on an employment basis, including permanent and temporary employees, directors, consultants, contractors, trainees, interns, agents, sponsors, or any other person or persons associated with the Group no matter where they are located.
- **Business Associates** means an external party with whom the 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, investors and service providers of any kind performing work or services for or on behalf of the Group.
- **Third Parties** means any individual or organisation you come into contact with during the course of your work for the Group, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies including their advisors, representatives and officials, politicians and political parties.

2. POLICY STATEMENT

The Group is committed to conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that prevent corrupt gratification. The Board of Directors (“Board”) and Top-level Management are committed to acting professionally, fairly and with integrity in all of the Group’s business dealings and relationships in whichever country we operate.

The Group shall constantly uphold all laws relating to bribery and corruption in all the jurisdictions where we operate. In Malaysia, we are bound by the laws of Malaysia, in

particular the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”). Where a law conflicts with this Policy, the more stringent measure shall be adhered to.

The Group recognises that acts of corrupt gratification are punishable by way of pecuniary fines and/or jail sentences, as the case may be, upon conviction. If any entity in the Group or person associated with it is found to have taken part in bribery or corrupt activities to benefit the Group, we may be subjected to a monetary fine of not less than 10 times the sum or value of the corrupt gratification, and/or the officers concerned jailed not exceeding 20 years, upon conviction under the MACC Act 2009. There may well be other associated charges brought against the Group and/or its officers under other legislations in Malaysia or in the countries in which the alleged offence is committed. All these may lead to serious damage to our reputation. It is with this in mind that we remain committed to preventing acts of corrupt gratification in our businesses, and we take our legal responsibilities seriously.

3. ANTI-CORRUPTION

Definition of bribery and corruption

- **Bribery** refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting or soliciting something of value or of an advantage so to induce or influence an action or decision. A bribe refers to any inducement, reward or object/item of value offered to another individual in order to gain or retain commercial, contractual, regulatory or personal business or advantage. Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.
- **Corruption** means the act of soliciting, giving, promising to give, offering, accepting or receiving gratification, directly or indirectly, to/from a person in authority either in the form of money, services, favours, positions or valuable goods as an inducement or reward to or not to do an act in relation to the person’s principal affairs or function.
- **Bribery and corruption** (collectively “corrupt gratification”) are illegal. Employees must not engage in any form of corrupt gratification, whether it be directly or through a Third Party. They must not bribe a foreign public official anywhere in the world. They must not accept bribes in any degree and if they are uncertain about whether something is a bribe, a gift or act of hospitality, they must seek further advice from the Group’s Compliance Officer.

The four (4) main offences stipulated in the MACC Act 2009 are:

1. Soliciting/Receiving Gratification (Bribe) [sections 16 and 17(a)]
2. Offering/Giving Gratification (Bribe) [section 17(b)]
3. Intending to Deceive (False Claim) [section 18]

4. Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [section 23]

The Group will not condone or tolerate the offering, making or authorizing of any payment or thing of values to an individual to secure an improper advantage.

3.1 Facilitation Payments and Kickbacks

1. Definitions:

- **Facilitation Payment:** An act of bribery to gain undue advantage, whereby a bribe is given to person(s) for the purpose of facilitating, expediting, by-passing, approving and/or in carrying out certain tasks or actions.
- **Kickback:** An act of bribery to gain an undue advantage, whereby the undue advantage in the form of bribe is 'kicked backed' to the person(s) who provided the undue advantage.

The Group does not accept and will not make any form of facilitation payments of any nature. We recognise that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action, and they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.

The Group does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.

The Group recognises that despite our strict policy on facilitation payments and kickbacks, Employees may face a situation where avoiding a facilitation payment or kickback may put them or their family's personal security at risk. Under these circumstances, the following steps must be taken:

- a) Keep any amount to the minimum;
- b) Ask for a receipt, detailing the amount and reason for the payment;
- c) Create a record concerning the payment; and
- d) Report this incident to the Human Resource Department.

3.2 Giving and Accepting Gifts, Invitations and Hospitality

1. Definition:

- **Gifts, Invitations and Hospitality:** Gifts, customary tokens of appreciation, meals, entertainment, invitations, hospitality

An Employee or his relatives should neither give nor accept cash commission, expensive gifts, extravagant entertainment or any benefits-in-kind for free or at very low costs from any company or individual doing or seeking to do business with the Company.

Such personal favours might induce the Employee to favour the Third Parties and affect the judgement as to what is the best for the Company. Where it is inappropriate to decline the offer of a gift (i.e. when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as the Procedure Guidelines for Gifts and Entertainment is adhered to.

2. Procedure Guidelines for Gifts and Entertainment

Gifts to customers or suppliers should fulfil the following conditions:

- a) Monetary value should not exceed RM250
- b) The customer's or supplier's supervisor is duly informed
- c) The gift is part of a marketing or an educational activity

Employees should not solicit for gifts on behalf of the Group, such as annual dinner gift, sponsorships, or welfare events unless such contributions are documented and communicated by Top-level Management.

You may accept gifts or sales promotional items extended as business courtesy and are appropriate to the business relationship. Such gifts must not exceed RM250.

Upon receipt of the gifts, the Employee should report to his superior and he may be required to handover the gifts to the Group Human Resource Department for Company use or as lucky draw gifts for Employees as may deem fit.

And such receipt shall be properly recorded by the Group Human Resource Department.

Customary business entertainment such as lunch, dinner, or sporting events are appropriate if it is made known to the Top-level Management and of a reasonable nature such as conducting business discussions or fostering better business rapport.

3.3 Charitable Donation

The Group accepts and encourages the act of donating to charities as part of its corporate social responsibility initiatives, whether through services, knowledge,

time or direct financial contributions (cash or otherwise), and shall disclose all charitable contributions at its corporate website at www.vc-b.com

Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery. If in doubt, you may check with the Group Human Resource Officer.

We shall ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are offered or made in accordance with the Group's approval mandate.

3.4 Political Contributions

The Group will not make donations, whether in cash, kind or by any other means to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

3.5 Recruitment of Employees

Recruitment of Employees shall be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of Employees.

Proper background checks shall be conducted in order to ensure that the potential Employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks shall be taken when hiring Employees that would be responsible in management positions, as they would be tasked with decision making obligations.

3.6 Business Partners and their Conduct

Employees must carry out proper due diligence process and comply with all applicable VCB's standard operating procedures before on-boarding any Business Associates, including informing them of this Policy. All Business Associates must submit a confirmation in similar terms prior to onboarding as VCB's service provider with effect from the date of this Policy.

Employees must monitor our Business Associates' performance from time to time to be in compliance with this Policy, and where breach or suspected breach arises, immediate action must be taken.

In addition to all applicable anti-bribery and anti-corruption laws to which it may be subjected to, VCB expects our Business Associates to comply with this Policy in relation to all dealings by them for, on behalf of or involving the Group. Our Business Associates 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.

The Company shall include standard clauses in all contracts with Business Associates enabling the Company to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for Business Associates acting on the Company's behalf where bribery risk has been identified.

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

4.0 RISK ASSESSMENTS

The Company shall undertake a bribery and corruption risk assessment across our business when appropriate to understand the bribery and corruption risks it faces and ensure that it has adequate procedures in place to address those risks.

Risk assessments shall give consideration to:

- (a) "country risk", which includes an assessment of the overall risks of corruption and bribery associated with a particular jurisdiction;
- (b) "transactional risks", which includes an assessment of the risks associated with a business transaction undertaken by the Group;
- (c) "business opportunity risks", which includes the risk that pursuing or obtaining business opportunities may result in acts of bribery or corruption; and
- (d) "business partnership risks", which includes risks deriving from relationships with or partnership with other associated entities.

Records and documentation must be kept of each risk assessment as part of the system of internal controls and record keeping.

5.0 ANTI-BRIBERY AND ANTI-CORRUPTION COMPLIANCE FUNCTIONS

The Finance Department shall have the oversight of the design, implementation of compliance controls and management of this Policy. The Company shall establish and maintain an anti-bribery and anti-corruption compliance function within the Finance Department.

The Finance Department shall perform the following functions within the Group structure, equipped to act effectively against bribery and corruption:

- (a) shall conduct regular risk assessments to identify the bribery and corruption risks potentially affecting the Group.
- (b) shall review the suitability of this Policy from time to time, taking into account relevant developments in the legislature as well as evolving industry and international standards.
- (c) shall be the independent authority to act effectively against bribery, including initiating investigations deemed necessary based on reasonable cause for suspicion.
- (d) shall maintain a direct reporting line to the Audit Committee and the Board.
- (e) shall implement and effectively manage routine anti-bribery and anti-corruption measures as deemed appropriate to ring-fence the organisation against possible legislative liabilities, as well as undertake ad-hoc measures deemed required based on circumstantial requirements that presents during the course of operations.

6.0 RED FLAGS

Red flags are scenarios that may have the perceived intent of bribery and corruption. Below is a list of possible red flags that may arise in the day-to-day operations with other individuals and businesses. Employees must cooperate with the Group to ensure and monitor compliance with this Policy.

1. A Third Party has a reputation for paying bribes, or requiring that bribes are paid to them.
2. A Third Party engages in facilitation payments due to 'special relationship' with public officials or Business Associates.
3. A Third Party engages in, or has been accused of engaging in improper business practices, such as kickbacks.
4. Company has been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
5. Employee is given gifts, invitations and/or hospitality in the Employee's name and not in the name of the Company. This includes cash or a cash equivalent (such as gift certificates or vouchers);
6. Employee is offered gifts, invitations and/or hospitality of an inappropriate type and value by Third Party, and given at an inappropriate time (e.g. during a tender process);
7. Employee is offered gifts, invitations and/or hospitality by Third Party secretly and not openly.
8. A Third-Party refuse to put terms agreed in writing.
9. A Third-Party refuse to divulge adequate information during due diligence procedure.
10. A Third Party presents invoice that appears to be non-standard or customized.
11. A Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with the Company, or carrying out a government function or process for the Company.

12. A Third Party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
13. A Third Party request that payment is made to a country or geographic location different from where the Third Party resides or conducts business.
14. A Third Party request an unexpected additional fee or commission to 'facilitate' a service.
15. A Third Party demands inappropriate gifts, invitations and/or hospitality before commencing or continuing contractual negotiations or provision of services.
16. A Third Party request that a payment is made to 'overlook' potential legal violations.
17. A Third Party request that the employee provides employment or some other advantage to a friend or relative.
18. A Third Party request that the employee makes a political contribution or donation to the party or charity of their choice before agreeing to undertake a business relationship with the Company.
19. A Third Party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Company.

While this is not an exhaustive list, these scenarios are indicators of potential non-compliance with this Policy. The presence of one of these factors does not automatically require reporting, but if suspicious activity persists, Employee should report the issue.

7.0 PROTECTION AND CONFIDENTIALITY

The Company supports anyone who raises concerns relating to potential act(s) of bribery or corruption in good faith under this Policy, even if investigation finds that they were mistaken.

The Company ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.

If you have reason to believe that you have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform the Audit Committee Chairman immediately.

8.0 TRAINING AND AWARENESS

Training on this Policy shall be provided on a regular basis as part of the onboarding process for all new Employees and any Employee appointed to, promoted to or transferred to or currently holding an exposed position.

This Policy and the Company's zero-tolerance attitude shall be clearly communicated to all Business Associates and any Third Parties at the outset of business relations, and as appropriate thereafter.

Human Resource Department shall maintain records to identify which Employee has received training and produce, communicate and update the training schedule.

9.0 RECORD-KEEPING

The Company shall declare and keep a written record of the amount and reason for hospitality or gifts accepted and given, and shall have appropriate internal controls in place to act as evidence for all payments made. Gifts and acts of hospitality shall be subject to managerial review.

All expenses claim relating to gifts or entertainment made to Business Associates or Third Parties are submitted in accordance with VCB's reimbursement procedures and/or applicable policy and specifically record the reason for such expenditure. All parties shall further ensure that all expense claims shall comply with the terms and conditions of this Policy.

All documents, accounts and records relating to dealings with Business Associates or Third Parties shall be prepared and maintained with strict accuracy and completeness. No accounts should be kept "off-book" to facilitate or conceal improper payments.

10.0 MONITORING AND REVIEWING

Internal control systems and procedures designed to prevent bribery and corruption shall be subject to regular audits to ensure that they are effective in countering corruption and bribery. Group Finance will constantly monitor the compliance of this Policy, and internal audits will be conducted at regular intervals and as and when deemed necessary.

Any need for improvements shall be applied as soon as possible. Employees are encouraged to offer their feedback on this Policy if they have any suggestions on how it may be improved. Feedback of this nature should be addressed to the Human Resource Department.

This Policy does not form part of Employee's condition of employment and the Company may amend it at any time so to improve its effectiveness at combatting bribery and corruption.

11.0 CONFLICTS OF INTEREST

Employees must avoid situations in which their personal interest would conflict with their duties and responsibilities, and must not use their position, official working hours,

the Company's resources and assets, or information available to them for personal gain or to the Company's disadvantage.

In situations where conflict of interest arises, Employees are required to immediately declare the matter to their immediate supervisor.

12.0 EMPLOYEE RESPONSIBILITY

As an Employee of the Group, you must ensure that you read, understand and comply with the information contained within this Policy, and with any training or other anti-bribery and anti-corruption information you are given from time to time.

All Employees and those under our control are equally responsible for the prevention, detection and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.

If you have reasons to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, you must notify the Group Human Resource Department.

If any Employee breaches this Policy, the Employee will face disciplinary action and could face dismissal for gross misconduct. The Group has the right to terminate a contractual relationship with an employee if the employee breaches this Policy.

The Company has a Whistleblowing Policy in place which provides avenues for all Employees and members of the public to raise concerns or disclose any improper conduct within the Company and to take appropriate actions to resolve them effectively.

The established channels for whistle blowing reporting are as follows:

- a. Any concern or/and violation should be reported to the Executive Director ("ED").

The channel of reporting to the ED is as follows:

By Email: chkhat.vcb@vc-b.com.my

By Mail: **Strictly Confidential**

Versatile Creative Berhad

Lot 30745, Jalan Pandan Indah,

Pandan Indah, 55100 Kuala Lumpur,

Malaysia.

Attention: The Executive Director

- b. If for any reason, it is believed that reporting to management is a concern or not possible or appropriate, then the concern should be reported to the Outsourced Internal Auditors of the Group.

The channel of reporting to the Outsourced Internal Auditors is as follows:

By Email: spyap@sterlingbizgroup.com

By Mail: **Strictly Confidential**

Sterling Business Alignment Consulting Sdn. Bhd.

No. 1005, Block B, Level 10, Phileo Damansara I,

No. 9, Jalan 16/11, Off Jalan Damansara,

46350 Petaling Jaya, Selangor

Attention: The Chief Internal Auditor

13.0 POLICY OWNER

The Human Resource Department is the owner of this Policy. The Board shall have oversight of this Policy.

14.0 REVISIONS

This Policy is posted on VCB's website at www.vc-b.com and will be updated, amended or revised from time to time to ensure its adequacy in implementation and enforcements.

Any questions concerning this Policy and related requirements may be addressed to the Group Human Resource by email. Directors may raise any questions concerning this Policy to the Company Secretary.

	VERSATILE CREATIVE BERHAD
	[Registration No. 200301001350(603770-D)]
	ANTI BRIBERY AND ANTI-CORRUPTION POLICY

	VCB
	VPB
	VCP

STAFF DECLARATION FORM

I, _____, hereby declare that I have read and understood VCB's Anti-Bribery and Anti-Corruption Policy ("said Policy") and the responsibilities required of me in relation to the said Policy.

I will abide by the requirements and provisions set out in the said Policy as required by my employment contract with VCB.

I have not violated the provisions of the said Policy and am not aware of any violations of the said Policy as of the date hereof.

I understand that if I am party to any breach of the said Policy during the term of my employment, then it could be regarded as major misconduct which may result in disciplinary action, up to and including dismissal against me.

.....
Name :
NRIC :
Designation :