



ANTI-BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION & STATEMENT OF POLICY

- 1.1 DXN Holdings Bhd and its subsidiaries (collectively referred as “DXN” or “the Company”) have established this Anti-Bribery and Corruption Policy (“**this Policy**”). This Policy shall be read together with DXN’s other internal policies/ procedures/ guidelines/ manuals including but not limited to DXN’s Employee Handbook and DXN’s Anti Bribery and Corruption Policy as can be seen at https://www.dxn2u.com/abc_policy.pdf . DXN reserve its absolute rights to make any amendments, deletions or additions to this Policy from time to time as it deemed fit.
- 1.2 DXN takes zero tolerance approach to all forms of bribery and corruption and takes a strong stance against such acts. DXN is committed to conducting its business in honest and ethical manner, and in compliance with all applicable laws and regulations which including but not limited to any amendments or re-enactments of law relating to bribery and corruption that may be made by the relevant authority from time to time.
- 1.3 This Policy applies to all DXN’s Directors, Employees, Associates and any other person associated with DXN, unless stated otherwise in specific policies. This Policy is also applicable to all of DXN’s business dealings with commercial (private sector) and government (public sector) entities.

2. WHAT IS BRIBERY AND CORRUPTION?

- 2.1 Corruption refers to act of abuse of position for personal gain or misuse of position to help others to improperly enrich themselves.
- 2.2 Bribery is the most common form of corruption and it refers to the act of corruptly giving, agreeing to give, promising, offering, soliciting, receiving or agreeing to receive any gratification. Gratification can take various forms, including monetary, non- monetary, services, favours, or any form of benefit or advantage. Bribes can be direct (e.g: giving a bribe to someone) or indirect (e.g: getting someone else to give a bribe to another person).

3. COMPLIANCE AND RESPONSIBILITIES

- 3.1 The Directors, Employees and Associates shall not directly or indirectly make, promise, approve, authorize, solicit or offer to give anyone anything of value for the purpose of improperly inducing recipient to take or refrain from taking action that would benefit DXN or intended to induce/reward improper performance of one’s duties/responsibilities or to gain improper advantage.

- 3.2 The Directors, Employees and Associates are expected to refuse to give or receive a bribe when solicited or offered one even if such refusal to give or receive a bribe will lead to monetary loss to the Company. The Company is committed to ensuring that no one including any of the Employees suffers from any detrimental treatment (demotion of position or penalty) for refusing to give or accept bribe.
- 3.3 Compliance of the Directors, Employees and Associates with this Policy is mandatory. Any violation of this Policy shall constitute a serious misconduct or offence that warrants an action which may lead to, but not limited to, disciplinary action, dismissal of employment, review of contract, cessation of business relationship, termination of service (whichever applicable) against the offender and/or reporting to the authorities consistent with relevant laws and regulations.
- 3.4 Section 17A of the Malaysia Anti-Corruption Commission (MACC) Act 2018 had stipulated a corporate liability where a commercial entity/company can be found guilty if any of its employees and/or associates commit corruption/bribery for the benefit of the entity/company.
- 3.5 The applicability of Section 17A of the MACC Act has become wider with the extra-territorial jurisdiction provision that may be used by the MACC against any subsidiaries of Malaysian companies operating outside Malaysia.
- 3.6 In any event, should there is a disparity between the local law/requirement on bribery and corruption with the MACC Act and DXN's ABC Policy, a stricter law and requirement shall prevail and to be adopted.

4. GIFTS AND HOSPITALITY

- 4.1 DXN adopts a strict "No Gift" policy, subject to few exceptions. The Directors and Employees shall not solicit or accept or give or offer any gifts and hospitality (which shall include but not limited to meals, fruits, flowers and token gifts) from or to Associates or any Third Parties that may have direct or indirect business interest or relationship (including any potential interest or relationship) with the Company, and at all times shall observe the following guiding principles: -
 - (a) **Transparency.** The Directors or Employees should be comfortable to disclose to his colleagues the gifts, entertainment or hospitality offered/ received.
 - (b) **Recipients.** The Directors or Employees should only offer or accept gifts, entertainment or hospitality from those who will not put the Directors or Employees in position of conflict.
 - (c) **Ability to influence.** The gifts, entertainment or hospitality must not be offered or accepted when there is any pending business decision related to the offeror or recipient of such gifts, entertainment or hospitality.
 - (d) **Value.** The gifts, entertainment or hospitality must be modest and not so frequent as to place the recipient under any obligation.
 - (e) **Purpose.** The intention behind the gifts, entertainment or hospitality must not be interpreted or be perceived as to gain any unmerited advantage for the Company.

- 4.2 If the Directors, Employees or Associates were offered or have received a gift, the Directors, Employees or Associates are required to politely return the gift with a note explaining the Company's "No Gift" policy.
- 4.3 The Directors and Employees are not allowed to offer or give any gifts to Associates or Third Parties if offering any gifts shall be unsolicited and affecting or be perceived as affecting business judgment. Gifts to Associates or Third Parties shall only be given after the Directors and Employees obtain prior consent from management of the Company.
- 4.4 If the Directors or Employees have received the gift including gift that were received anonymously, or where it is not possible to refuse or return the gift from Associates or Third Parties or the Directors or Employees are offering gifts, then such receipt of or offering the gift shall be reported to management of the Company and detailing the following: -
- (a) The details of the gift;
 - (b) The estimate value of the gift;
 - (c) The occasion such gift was received/ given;
 - (d) The details of recipient of the gift including but not limited to (a) name, position and department or (b) name, position and nature of past/ current/ future dealing with the Company (whichever applicable); and
 - (e) The details of giver of the gift including but not limited to (a) name, position and department or (b) name, position and nature of past/ current/ future dealing with the Company (whichever applicable).
- 4.5 If the Directors or Employees are unsure or doubtful on the appropriateness of the gift offered or given by Associates or Third Parties, the Directors and Employees should either decline the offer or consult the management of the Company.

5. POLITICAL DONATIONS, CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS

- 5.1 Any request for political donations or sponsorships must be escalated to the CEO for review and approval by the Board subject always to the prevailing laws, bylaw and regulations.
- 5.2 Political donations or sponsorships should never be made in exchange for any business implications to the Company, whether it is to obtain business or to obtain some form of advantage to the business of the Company. The Directors and Employees in their personal capacity are not prohibited from making personal political donations or sponsorships (in any form including monetary or goods) to any political parties in their personal capacity and shall expressly make clear that such political donations or sponsorships are made under the personal capacity of the Directors and Employees, and in no way associated with DXN.
- 5.2 As general principle, to avoid any situations where there could be actual or perceived conflict of interest, DXN shall not make any charitable contributions or sponsorships (in any form including monetary or goods) to Associates, Third Parties, government authority or any

entities directly related to government authority or for any events of Associates, Third Parties, government authority or any entities directly related to government authority if: -

- (a) DXN is expecting to apply, obtain or renew any licenses/permits from the government authority in the near future; or
- (b) DXN has just applied, obtained, renewed any licenses/permits from the government authority for DXN's business activities in the recent past; or
- (c) DXN is expecting or recently dealings with the Associates, Third Parties or entities directly related to government authority.

6. DEALINGS WITH ASSOCIATES

- 6.1 The Company could be liable for acts of Associates, as such, the Company is committed to promoting compliance of the Associates with this Policy.
- 6.2 DXN requires that all Employees to conduct the requisite due diligence of any dealing with Associates that DXN engage, appoint, contracts with or hires to carry out any external functions on behalf of the Company, which includes without limitation to agents, consultants, contractors, subcontractors, resellers, customs brokers, business contacts, professional advisors, joint venture partners, any other parties supplying goods and services to DXN, any other entity within the definition of "Associate" in the relevant laws and regulations. Some high risk transaction will require further due diligence which may require additional investigation.
- 6.3 The Company are to ensure that any payments made are for actual service provided or contractual obligations performed and not for payments that can be tied to giving any form of gratification for improper purposes.
- 6.4 DXN has zero tolerance of Associates who do not conduct themselves in accordance to the principles of this Policy where it brings disrepute or legal implications to DXN. Any non-compliance with the principles of this Policy by the Associates may lead to the review and/or termination of any agreements and contract with such parties.

7. DEALINGS WITH GOVERNMENT OFFICIALS/ FOREIGN OFFICIALS

- 7.1 DXN recognises that the practice of offering and receiving gifts varies between countries, regions, cultures, and religions, so the definitions of what is acceptable and not acceptable will inevitably differ for each situation.
- 7.2 When dealing with public officials, the Directors and Employees should ensure that any giving or receiving of gifts, entertainment or hospitality do not relate to, in any form whatsoever, the public official's official dealings or public duty. At all material times, the Directors and Employees are to ensure compliance with relevant laws and regulations.
- 7.3 Any offering or giving gifts, entertainment or hospitality by the Directors or Employees to public officials is only limited to the circumstances where it is to reasonably facilitate genuine promotional, business or educational meetings and such offering shall be made in compliance with this Policy.

8. FACILITATION PAYMENTS AND KICKBACKS

- 8.1 DXN adopts a strict policy of disallowing the use of facilitation payments or kickbacks of any kind in its business. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action by an official. Kickbacks are typically payments made in return for a business favour or advantage.
- 8.2 The Directors, Employees and Associates must not offer, promise, give, request, accept or receive anything that may be regarded as facilitation of payments. Any Directors, Employees or Associates who receive or is requested to made such facilitation payments or kickbacks must immediately report to management of the Company for further investigation and determination of next course of action.
- 8.3 The Directors, Employees and Associates shall insist on receipt or an official record of payment for every monetary transaction.

9. CONFLICT OF INTEREST

- 9.1 Conflict of interest refers to situation whether is actual, potential or perceived that may give rise to a risk of corruption. The Directors, Employees or Associates should be transparent and shall declare if there is or potential to be any conflict of interest.
- 9.2 The Directors, Employees or Associates should avoid or deal appropriately with situations in which personal interest could conflict with his obligations or duties.
- 9.3 The Directors and Employees are required to execute declaration of conflicts of interest by filing up Conflict of Interest Declaration Form provided by GHR (which may be revised from time to time) or any other form as provided by GHR from time to time.
- 9.4 The Directors and Employees are also required to execute declaration of any conflicts of interest on an “ad hoc” basis if they become aware of any conflict regardless of whether such conflict is an actual or potential conflict of interest.

10. REPORTING

- 10.1 The Directors, Employees, Associates or Third Parties should report immediately any suspected or actual violation of this Policy or any relevant anti- bribery laws. Complaints shall be made in accordance with Company’s reporting policy.

11. RECORD KEEPING

- 11.1 The Company must keep the financial records and have appropriate internal controls in place including financial and organisational checks and balances over the Company’s accounting and record keeping practices which will evidence the business reason for payments made to Associates or Third Parties.
- 11.2 The Directors and Employees must ensure that all expenses relating to gifts, entertainment and hospitality incurred are properly recorded in accordance with the Company’s expense policy.

- 11.3 All accounts, invoices and records relating to dealing with Associates or Third Parties must be maintained with strict accuracy. No accounts shall be kept “off-book” to facilitate or conceal improper payments.

12. RED FLAGS

- 12.1 The list is not exhaustive and all Directors, Employees and Associates should be alert to other indicators that may raise a suspicion of corrupt activity. The Directors, Employees and Associates must report to the Whistleblowing Communication Channel.

- 12.2 The following is a list of red flags that may indicate the possible existence of corrupt practices and for illustration purpose only:-

- (a) Request an unexpected additional fee or commission to “facilitate” a service;
- (b) When additional fee or commission payment is requested for carrying out normal work;
- (c) Payments to be made through third party account or to account in geographic location which is different from where the Third Parties resides or conduct business
- (d) Demand of lavish gifts, entertainment or hospitality before commencing or continuing contractual negotiations or provisions of service;
- (e) Refusal to divulge adequate information during due diligence procedure;
- (f) Private meetings requested by Associates or Third Parties hoping for tender for contracts;
- (g) Abusing decision making process by not following company policies, procedures or guidelines;
- (h) Unexplained preferences for certain contractors, vendors, suppliers and refuse to put term of engagement into writing;
- (i) Invoices rendered or paid are in excess from actual contractual amount;
- (j) Associates or Third Parties engages in or has been accused to engage in any improper business practices;
- (k) Associates or Third Parties has a reputation for paying bribes or requiring bribes to be paid to them or has a reputation of “special relationship” with government officials, foreign officials or any other entity;
- (l) Associates or Third Parties insist on receiving commission or fee payment before committing to sign up a contract with the Company or before carrying out government function or process for the Company;
- (m) Associates or Third Parties request that payment is made to itself or any party “overlook” potential legal violations;

- (n) Associates request or requires the use of an intermediary such as agent or consultant that is not typically familiar, used or known by the Company;
- (o) Associates or intermediary request fee that is higher than the market level for comparable work without substantive justification;
- (p) Where expense claim and report or petty cash payments are made and contain insufficient documentation or evidence;
- (q) Associates who operate business that seems inappropriate for the type of work being undertaken or ill equipped to undertake the work;
- (r) When the intermediary is introduced into contract to carry out ill-defined works;
- (s) Unnecessary request to or for travel which includes family members; or
- (t) Refusal to provide written declaration about assurance of compliance of anti-bribery and corruption policy or declaration of conflict of interest.

13. WHISTLEBLOWING

- 13.1 The Group encourage its Directors, Employees, Associates, Third Parties and public to disclose any real or suspected incidents of bribery or corruption which has come to their knowledge.
- 13.2 The Company has put in place the Whistleblowing Policy which sets out guidelines and procedures to enable Employees and members of public to lodge any genuine concerns pertaining to any actual or suspected unlawful, illegal, wrongful or improper conduct.
- 13.3 The Whistleblowing Policy can be obtained from GHR. Disclosure of an improper conduct shall be made to the designated person through the Whistleblowing Channels set out below:

- Chairman of RMC: stefanheitmann@dxn2u.com and/or whistleblowing_abc@dxn2u.com

**If the Chairman of RMC is not reachable, the whistleblower may email to Chairman of Audit Committee : abraham_verghese@dxn2u.com*

14. COMMUNICATION, AWARENESS & TRAINING

- 14.1 DXN adopts zero tolerance stance on bribery and corruption, and this Policy is communicated to the Directors, Employees and Associates and is also available at DXN's official website. The Directors, Employees, and Associates of DXN must read, understand, comply with and declare their acceptance and compliance with this Policy. All Associates shall ensure their employees who have direct dealing with the Company have adequate training in order to comply with this Policy.
- 14.2 DXN has also conducted various awareness and training to its Directors, Employees and Associates from time to time to increase the awareness on Bribery and Corruption in each

its subsidiaries. This include quiz and questionnaire regarding ABC Policy during the induction/orientation session with the New Employees of DXN.

- 14.3 For a complete and comprehensive update on the ABC Policy, the external and interested party may visit DXN's Anti-Bribery and Corruption Policy at <https://www.dxn2u.com/investor-relations/>.

15. BRIBERY RISK ASSESSMENT

- 15.1 Annual bribery and corruption risk assessment will be performed by GHR to identify potential risk related to bribery and corruption;
- (a) Estimate the impact and likelihood of each risk identified; and
 - (b) Identify the gaps and design and implement appropriate remedial action for bribery and corruption risk identified.
- 15.2 Results from the bribery and corruption risk assessment shall be reported to the RMC on an annual basis, or more frequently where necessary.

[END]