

ATA IMS BERHAD

Anti Bribery and Corruption Policy

Introduction

ATA IMS Berhad and its subsidiaries (collectively referred to as the “Group”) are committed to conduct all of its business in a legal, honest and ethical manner. Business is being conducted with full integrity and no corruption of all forms is allowed in the Group’s daily operations.

The Code of Ethics and Conduct of the Group approved by the Board sets out the core principles in relation to anti-bribery and corruption whereby the Group upholds highest standards of integrity in all business interactions and zero-tolerance towards conflict of interest to prohibit any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes).

Commitment

All business dealings should be transparently performed and accurately reflected on records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws and best practices.

Therefore, policies and procedures as well as its enforcement on anti-corruption are implemented in compliance to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (MACC). The Policy leverages on the principles set out in the Group’s Code of Ethics and Conduct.

Objective

To take the reasonable and proportionate measures to ensure the business environment is free of corruption. These measures would be implemented in the form of policies and procedures, communication and enforcement to ensure they are effective at all times.

Scope

The Policy is applicable to ATA IMS Berhad, its controlled subsidiaries, the Board of Directors, all Officers and Employees of the Group.

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All Business Associates performing works or services for or acting on behalf of the Group (including but not limited to, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group) shall comply with the principles, policies and procedures as established in this Policy when performing their work or services for and on-behalf of the Group.

Definition of Bribery & Corruption

“Bribery & Corruption” is defined as any action which would be considered as an offence of giving or receiving “gratification” under the MACC. Such acts involve 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. Corruption of all kinds (i.e. anything of value, such as money, goods, services, privileges, employment position or preferential treatment) is prohibited.

“Gratification” is defined in the MACC to mean the below:

- 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 of 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).

“Officers” is defined as any person as defined under Section 2 of Malaysian Companies Act 2016, including but not limited to, executive and non-executive directors.

GUIDANCE ON COMMON FORMS OF CORRUPTION

1. Gifts

The Group has adopted a "No Gift" policy whereby, subject only to certain narrow exceptions defined under “Exception to No Gift” Policy”. Gifts refer to permitted gifts that shall not be any gift which is or could reasonably be perceived by a third party to be for the purpose of bribery.

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The general principle set out in this Policy does not allow the officers and employees from receiving or giving gift to external parties if it is made with the intention of influencing the third party to obtain or retain business, or in exchange of favours.

Lavish or unreasonable gifts (e.g. valued above the threshold of RM50 for an employee (RM1,500 for a Director) or equivalent permitted by the Group or may adversely affect the reputation of the Group) should not be accepted as it may be interpreted as attempts to receive favourable business treatment for personal benefits.

Any gift, other than the token value as stipulated in Code of Ethics and Conducts, will only be permitted in the following conditions, subject to approval by Top Management/Board of Directors that the gifts are:

- limited, customary and lawful
- not affect/influence any independent business judgement
- not perceived to have any effect or favour on decision
- giving in an open and transparent manner

Exception to the “No Gift” Policy includes:

- a) Exchange of gift at the Company to Company level;
- b) Gifts from the Group to external institutions or individuals in relation to the company’s official functions, events and celebrations;
- c) Gifts from the Group to Officers, Employees, Business Associates acting for or on behalf of the Group in relation to an internal or externally recognised Company function, event and celebration;
- d) Token gifts (RM50 or below) of nominal value normally bearing the official logo given in gratitude at work-related conference, seminars or business events; and
- e) Gift to external parties (mainly for monetary gifts or gifts in-kind to charitable organizations).

A documented standard operating procedure is established to manage the bribery and corruption risks in relation to provision and receipt of gifts by the Group, all employees of the Group and any/or any person(s) associated with the Group.

2. Entertainment and Corporate Hospitality

All Officers, Employees and Business Associates acting for or on behalf of the Group are strictly prohibited from providing or offering to provide entertainment and corporate hospitality with a view to improperly cause undue influence on any party in exchange for some future benefits/results or result in conflict of interest.

However, the Group recognizes that providing modest entertainment and corporate hospitality is a legitimate way of business relationship as part of business networking and to foster good business relationship with Business

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Associates. Therefore, this Policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest and bona fide corporate hospitality.

A documented standard operating procedure is established to manage the bribery and corruption risks in relation to provision and receipt of entertainment and corporate hospitality by the Group, all Officers, Employees and Business Associates of the Group and any/or any person(s) associated with the Group.

3. Travelling

Only travelling for the sole purpose of the products and services provided by the Group and as approved by Top Management are allowed and shall be restricted to certain type of travelling as stipulated in the detailed framework.

On the other hand, only eligible Officers, Employees and Business Associates acting for or on behalf of the Group as approved by Top Management are allowed to receive travelling from third party, subject to the condition that such travelling is required for the purpose to perform his/her functions for the sole purpose to deliver the goods or services offered by the Group.

A documented standard operating procedure is established to manage the bribery and corruption risks in relation to provision and receipt of travelling by all employees of the Group and any/or any person(s) associated with the Group.

4. Corporate Social Responsibility (“CSR”), Donations and sponsorship

The Policy allows any donations, contributions and sponsorship in the form of charity, whether in-kind of services, knowledge, time, facilities and cash or equivalent, with the condition it should be made directly to an official entity and be able to disclose publicly if required to do so. No donation or sponsorship can be offered or made without prior approval from top management.

A documented due diligence and standard operating procedure is established to manage the bribery and corruption risks in relation to donation and sponsorship by the Group, all employees of the Group and any/or any person(s) associated with the Group.

5. Facilitation Payments

Facilitation payments made to third party is strictly not allowed. The general principle shall be that, Officers or Employees shall not promise or offer any facilitation payment. However, in the event that the Officers or Employees have no alternative but to make facilitation payment in order to protect themselves from injury or liberty, they may make the payment, subject to such facilitation payment made under these circumstances should be reported immediately to respective heads of department and details of the payment are to be recorded properly.

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6. Conflicts of Interest

Conflicts of interest arise in situations where there is personal interest that could have potential interference with objectivity in performing duties or exercising judgment on behalf of Company. All Officers, Employees and Business Associates acting for or on behalf of the Group must avoid situations in which personal interest could conflict with their professional obligations or duties and must not use their position and authorities, the Group's resources and assets, or information available to them for personal gain or for the benefit of person/s connected to such person (including their friends) or to the Group's disadvantage.

All Officers, Employees and Business Associates acting for or on behalf of the Group shall comply with the **Code of Ethics and Conduct** of the Group approved by the Board of Directors of the Company and subject to the **Related Party Policy** of the Group established by the Board.

7. Dealing with Public Officials and Political Exposed Person

All Officers and Employees acting for or on behalf of the Group must not offer, promise, give anything which might reasonably be regarded gift, entertainment, corporate hospitality, CSR programme, donation, sponsorship to Public Officials or Political Exposed Person or Person Connected to them unless it is permissible under the applicable laws and regulations and prior approvals are obtained from Head of Department; Top Management or the Board of Directors.

A documented due diligence and standard operating procedure is established to manage the bribery and corruption risks in relation to political donation by the Group, all employees of the Group and any/or any person(s) associated with the Group.

8. Dealing with Business Associates

It is mandatory that appropriate Business Associate due diligence to be carried out before entering into any arrangements with them.

Business Associates are subject to the following Business Associate Anti-Bribery and Corruption Risk Management process:

- i. Business Associate Risk Assessment;
- ii. Review and Registration;
- iii. Proportionate Due Diligence;
- iv. Contract or trading terms with Business Associate shall include the compliance with the Group's ABC Policy;
- v. Communications and training on the importance of countering bribery and corruption;
- vi. Continuous Monitoring on ABC compliance of Business Associates; and
- vii. Continuous Due Diligence.

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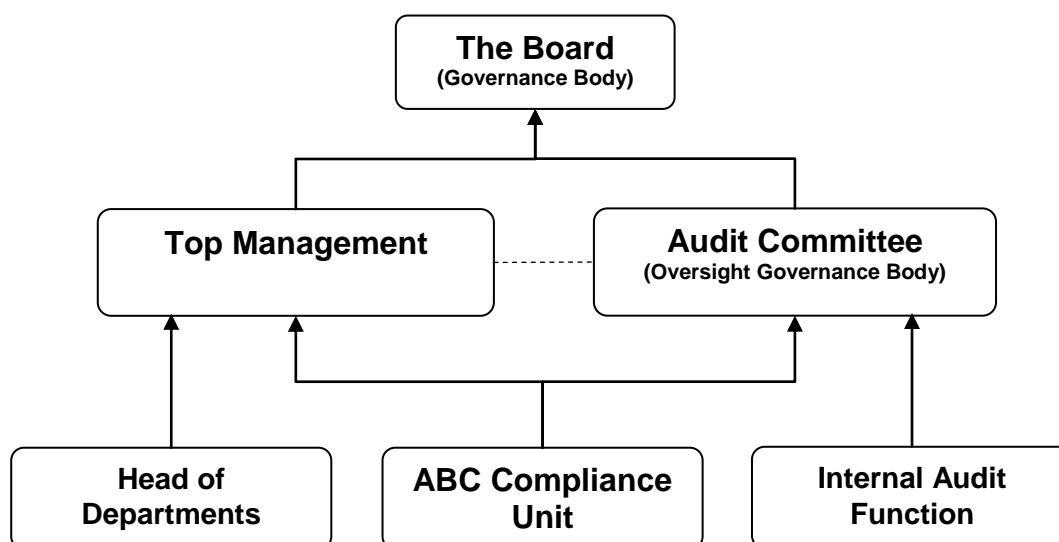
9. Dealing with Officer or Employee

All Officers and Employees are subject to the following Officers and Employees Anti-Bribery and Corruption Risk Management process:

- i. Job Function Risk Assessment;
- ii. Recruitment and screening process;
- iii. Proportionate Due Diligence;
- iv. Contract with all Officers and Employees shall include the compliance with the Group's ABC Policy;
- v. Communications and training to communicate clearly to all Officers and Employees the importance of countering bribery and corruption, ABC Commitment, ABC Policy, the ways it expects all Officers and Employees to act and consequences of non-compliance;
- vi. Continuous Monitoring on ABC compliance of Officers and Employees; and
- vii. Continuous Due Diligence.

Detailed guidance on the common form of bribery and corruption are stipulated in the comprehensive approved Anti Bribery and Corruption Framework.

Governance Structure



Anti-Bribery and Corruption Compliance Committee (hereinafter “ABC Compliance Unit”) is established to be responsible for all anti-corruption compliance matters, including investigation, action, records and reported to Top Management and the Audit Committee as oversight governance body.

The Board is ultimately responsible for the Group’s ABC Management and approving the appropriate ABC policy.

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Risk Assessment

The Group is committed to conduct corruption risk assessment periodically and when there is a change in law or circumstances, to ensure appropriate processes and controls are always in place to mitigate specific corruptions risks.

The risk assessment for corruption will be incorporated into the Group's annual risk register via its formal Risk Management Policy and subsequently compiled into a Risk Report to be reviewed by the Audit Committee and subsequently reported to the Board.

Control Measures

i. Financial Controls

The Group shall implement relevant financial controls that manage bribery and corruption risks and to manage its financial transactions properly and to record these transactions accurately, completely and in a timely manner.

Relevant financial controls are documented in the relevant standard operating procedures and work instructions maintained by the Group.

ii. Non-Financial Controls

The Group shall implement relevant non-financial controls that manage bribery and corruption risks and to manage with respect to such areas as procurement, operational, sales, commercial, human resources, legal and regulatory activities.

Relevant non-financial controls are documented in the relevant standard operating procedures and work instructions maintained by the Group.

iii. Due Diligence

Due diligence will be conducted on any relevant parties or personnel before entering into any official relationship with the Group. These include a search through relevant databases, background checks, document verification and self-declaration.

Due diligence shall also be carried out on any Business Associates that act on behalf of the Group, to ensure this entity is not likely to commit corruption.

Relevant due diligence process for Third Party are documented in the relevant standard operating procedures and work instructions maintained by the Group.

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Reporting Channel

If any employee believes reasonably and in good faith that corruption exist in the Group, the employee should report this immediately to the appropriate level of management or Whistle-blowing Compliance Committee.

If it is appropriate and for customers and other stakeholders, in view of the nature of the reported matter, reports of violations may be made directly to the Whistle-blowing Compliance Committee as speak up channel.

However, if for any reason the employee is reluctant to do so or the stakeholder concerned is of the opinion that the matter is not satisfactorily resolved, then the employee or the stakeholder should report the concerns to the members of Audit Committee via the whistle blowing channel as per the Whistle Blowing Policy and Procedure published on the Company's corporate website.

The reporting, investigation and responses on wrongdoings shall go through the mechanism set out under the Group's Whistle Blowing Policy which is available on the Group's website.

The identity and personal information of the whistleblower will be protected and kept confidential, unless otherwise required by law. The whistleblower will be protected from reprisal, including any form of harassment and victimisation, as a consequence of his/her genuine disclosure.

Administration

This Policy is executed and administered by the ABC Compliance Committee and under the oversight of the Audit Committee and reports to the Board of Directors.

The ABC Compliance Unit, with the assistance of SRMC, will conduct ongoing review to ensure that the management action plan remains relevant and implemented in a timely manner. Factors, which may affect the possibility and consequences of an outcome, may change, as may the factors which affect the suitability or cost of the various treatment options. It is therefore necessary for the ABC Compliance Unit to update the relevant Standard Operating Procedures to reflect the current state of affairs of the Group as well as internal and external business context.

Non-Compliance

Any Officers, Employees and Business Associates found to be non-compliant with the policies, procedures and requirements of this Policy or non-compliant with relevant laws and regulations in relation to anti-bribery and corruption in any jurisdiction, shall be subject to the actions as determined appropriate, judging from the seriousness of the offence or non-compliance as determined by the relevant authorised personnel, i.e.: warning letter; suspension from work; penalty; demotion, dismissal or termination of contract, after due investigation and procedures.

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Training and Awareness

The Group will conduct awareness programmes and refresher events at predetermined intervals for all its employees regarding the Policy, identification and dealing with bribery and corruption, reporting channel and consequences of non-compliance.

Adequate communication, in the form of email, correspondence, posters, briefings, with all employees and business associates will be maintained to ensure all employees and business associates are reminded on the importance of anti-bribery and corruption and their compliance.

Records Keeping

ABC Compliance Committee and all relevant divisions/departments must retain for at least three (3) years from the end of the financial year of the transactions, all policies and procedures, records, databases, work documents, other documents and transactions to enable the Group to comply with any requests from the relevant authorities and the ABC Policy.

Policy Review and Approval

This Policy is reviewed by the Audit Committee and recommended to the Board of Directors for approval on 20 May 2020 and updated on 23 February 2021.