

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. INTRODUCTION

- 1.1 This Anti-Bribery and Anti-Corruption Policy (“ABAC”) exists to set out the responsibilities of IRIS Corporation Berhad and its group of companies (“IRIS” or “Company”) and those who work for IRIS with regards to observing and upholding our zero-tolerance position on bribery and corruption.
- 1.2 The objective of ABAC is to act as a source of information and guidance for those working for IRIS. It exists to help them deal with potential and real bribery and corruption issues, as well as understand their responsibilities. ABAC sets out IRIS’s zero-tolerance position on bribery and corruption in all forms and matters that might confront IRIS in its daily operations.

2. POLICY STATEMENT

- 2.1 **IRIS is committed to conducting business in an ethical and honest manner, and is serious in ensuring that bribery and corruption does not exist in the company by implementing and enforcing systems that will curb corrupt practices. IRIS does not tolerate bribery and corrupt activities and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, everywhere it operates and conducts business.**
- 2.2 **IRIS will constantly uphold all laws relating to anti-bribery and anti-corruption in all the jurisdictions in which IRIS operates.** As a public listed company, IRIS adheres to the Malaysian Anti-Corruption Commission 2009 (Amendment) Act 2018 (“MACC ACT”) or any amendments thereto to ensure compliance in accordance with Bursa Malaysia Securities Berhad Listing Requirement in relation to the MACC Act pursuant to section 9 of the Capital Markets and Services Act 2007. As a global company, IRIS complies with section 17A (5) of the MACC Act, in regards to its conduct both at home and abroad.
- 2.3 IRIS recognises that under the MACC Act, bribery and corruption are criminal offences and the legal consequences include a fine of up to 10 times the bribe or RM1,000,000.00 whichever is the higher, or imprisonment not exceeding 20 years or both.

3. APPLICABILITY OF THE POLICY

- 3.1 ABAC applies to all employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, or any other person or persons associated with IRIS (including third parties), or any of our subsidiaries or their employees, no matter where they are located (within or outside of Malaysia). The policy also applies to Board members.
- 3.2 In the context of this Policy, third party refers to any individual or organisation our company meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public

bodies – this includes their advisors, representatives and officials, politicians, and public parties.

- 3.3 Any arrangements IRIS makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti-bribery and anti-corruption.

4. DEFINITION OF BRIBERY AND CORRUPTION

4.1 Corruption is the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to your job description. Abuse of position for personal gain or misuse of position to help others to improperly enrich themselves is also part of corruption.

4.2 Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage in order gain commercial, contractual, regulatory, or personal advantage or to induce or influence an action or decision.

4.3 Section 3 of the MACC Act defines gratification as:

- a. Money, donation, gift, loan, fee, reward, valuable security, property or interest in property, 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 money or money's worth or valuable thing;
- f. Any other service or favour of any description, including protection from 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).

From the said definition, it can be seen that gratification is not constrained to just monetary considerations



5. WHAT CONSTITUTES CORRUPTION

5.1 This section of the policy refers to three (3) areas:

- Gifts and hospitality.
- Facilitation payments.
- Charitable contributions.

5.2 Gifts, Hospitality and Entertainment

5.2.1 As a general rule IRIS accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of gifts meets the requirements in accordance with IRIS Gift Policy.

5.2.2 IRIS recognises that the practice of giving and receiving business gifts varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each situation.

5.2.3 No gifts including gratuities, favours, entertainment, or other things of value shall be offered or given to government officials locally or foreign on behalf of IRIS unless it meets the requirements in accordance with IRIS Gift Policy .

5.2.4 In accordance with IRIS's Gift Policy, gifts given and received **MUST BE DISCLOSED** to the relevant manager of IRIS as prescribed in the Company's Gift Policy.

5.3 Facilitation Payments and Kickbacks

5.3.1 IRIS 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. We recognise that 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.

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

5.4 Charitable Contributions

5.4.1 IRIS accepts (and indeed encourages) the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise) – and agrees to disclose all charitable contributions it makes.

5.4.2 Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.

5.4.3 We will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not offered/made without the approval of the relevant manager.

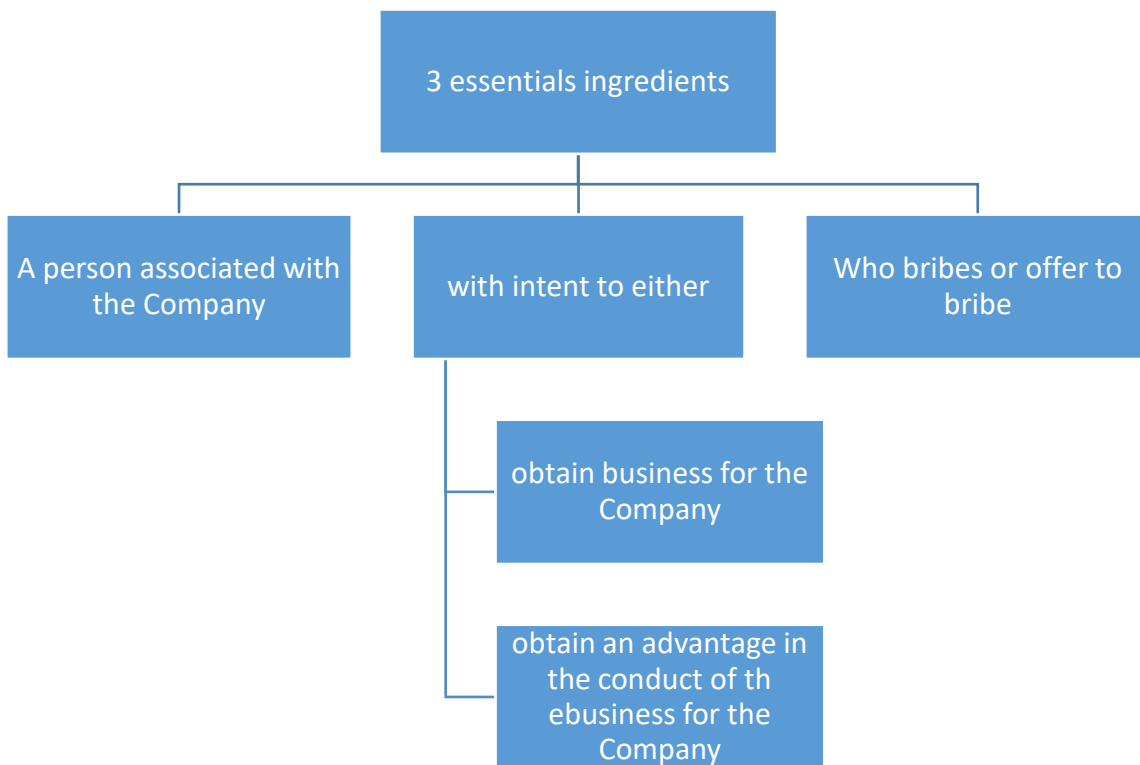
5. CORPORATE LIABILITY PROVISION UNDER SECTION 17A OF THE ACT

5.1 The new provision of Section 17A of the MACC Act on corruption offenses by commercial organisations came into force on 1st June 2020. The provision of this law, which is also known as corporate liability, encourages business activities to be conducted with integrity and to promote good governance in organisations.

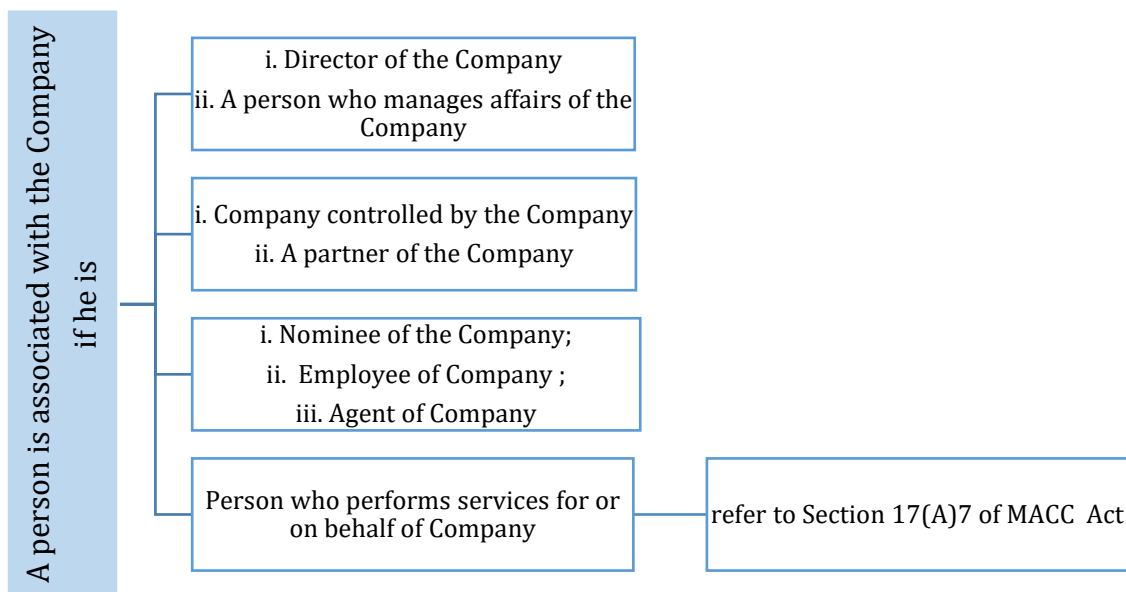
5.2 17A (1) of the MACC Act provides that “*a commercial organisation commits an offence if any person associated with the commercial organisation commits a corrupt act (i.e. gives, agrees to give, promises or offers to any person any gratification) to obtain or retain business or advantage for the commercial organisation*”.

5.3 Directors, officers and management of the commercial organisation will also be deemed to have committed the offence under the new law.

5.4 How will liability attach to IRIS under Section 17A:



5.5 Who is an associated person under section 17A of MACC Act:



6. **ADEQUATE PROCEDURES**

6.1 A commercial organisation has to demonstrate it has put in place ‘Adequate Procedures’ to deter persons associated with the commercial organisation from committing corrupt acts to benefit the company. This burden of proof rests with the Directors and Senior Management. When the company is prosecuted for corruption, Directors and Senior Management face criminal liability and are deemed to have committed the offence.

6.2 However, the commercial organisations can defend themselves if they can show that the organisation has implemented ‘Adequate Procedures’ to prevent corrupt acts in their operations and business activities.

6.3 Government has issued Guidelines on ‘Adequate Procedures’ (“Ministerial Guidelines”) to assist commercial organisations to establish and maintain anti-corruption measures (policies and procedures) as lines of defence against offences of corrupt gratification. The Ministerial Guidelines enumerate the following five (5) guiding principles under the acronym “T.R.U.S.T.” to be implemented by commercial organisations when developing ‘Adequate Procedures’:

6.4 The T.R.U.S.T. Concept:

- T - Top Level Commitment
- R - Risk Assessment
- U - Undertake Control Measures
- S - Systematic Review & Monitoring
- T - Training & Communication

- 6.5 IRIS warrants that it shall comply and adhere to the abovementioned guiding principles to ensure that these principles are implemented to prevent bribery and corruption from occurring in the company.

7. INFRINGEMENT OF THE POLICY

- 7.1 Any infringement of this Policy shall constitute a serious misconduct or offence warranting disciplinary action against the offender. This section of the policy covers two (2) areas:
- a. How to report an infringement of the Policy; and
 - b. Protection for whistleblowing.

7.2 Reporting of an infringement of the Policy

If you suspect that there is an instance of bribery or corruption occurring in relation to IRIS, you are encouraged to raise your concerns immediately. If you are uncertain about whether a certain action or behaviour can be considered bribery or corruption, you should lodge your report with the Chairman of the Audit and Risk Management Committee via email at whistleblowing@iris.com.my. It is the duty of IRIS to familiarise all employees with its whistleblowing procedures so that employees can vocalise their concerns swiftly and confidentially.

If you are a victim of bribery or corruption, if you are offered a bribe by anyone, if you are asked to make one, if you suspect that you may be bribed or asked to make a bribe in the near future or if you have reason to believe that you are a victim of any corrupt activity you must inform the Head of Legal & Corporate Services as soon as possible.

7.3 Protection

IRIS will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or perform any other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption. IRIS's Whistleblowing Policy provides protection to the whistleblower who comes forward voluntarily to report or reveal information on corrupt activities. The policy encourages and facilitates disclosure of improper conduct in the public and private sector, protects persons making the disclosure from detrimental action, provides for the matter disclosed to be investigated and dealt with and provides for the remedies connected therewith.

8. TRAINING AND COMMUNICATION

- 8.1 IRIS will provide training on this policy as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this policy, and will be asked annually to formally accept that they will comply with this policy.
- 8.2 IRIS's anti-bribery and anti-corruption policy and zero-tolerance attitude will be clearly communicated to all its suppliers, contractors, business partners and any third-parties at the outset of any business relationship, and as appropriate thereafter.

9. **RECORD KEEPING**

IRIS will keep detailed and accurate financial records, and will have appropriate internal controls in place to act as evidence for all payments made. IRIS will declare and keep a written record of the amount and reason for hospitality or gifts accepted and given, and understand that gifts and acts of hospitality are subject to managerial review.

10. **MONITORING AND REVIEWING**

- 10.1 IRIS's Head of Legal & Corporate Services is responsible for monitoring the effectiveness of this policy, will review the implementation of it and will assess its suitability, adequacy, and effectiveness on a regular basis.
- 10.2 Internal control systems and procedures designed to prevent bribery and corruption will be subjected to regular audits to ensure that they are effective in practice.
- 10.3 Any need for improvements will 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 Head of Legal & Corporate Services.
- 10.4 This policy does not form part of an employee's contract of employment and IRIS may amend it at any time so as to improve its effectiveness at combatting bribery and corruption.
- 10.5 If you have any doubt or queries about the scope and application of ABAC, please contact the Legal & Corporate Services, department at legal@iris.com.my.