

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. INTRODUCTION

- 1.1 This Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) 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 approach on bribery and corruption.
- 1.2 The objective of the ABAC Policy 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. The ABAC Policy sets out IRIS’s zero-tolerance approach 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 in Malaysia, IRIS adheres to among others the Malaysian Anti-Corruption Commission 2009 (“MACC Act”) and the Bursa Malaysia Securities Berhad Listing Requirements, which require IRIS to establish and maintain policies and procedures on anti-corruption that are at a minimum guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the MACC Act. As a global company, IRIS complies with these laws with 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 higher, or imprisonment not exceeding 20 years or both.

3. APPLICABILITY OF THE ABAC POLICY

- 3.1 This ABAC Policy applies to all IRIS’ directors (executive or non-executive) and employees (whether temporary, fixed-term, or permanent and including managers, full-time and part-time workers, agency workers, seconded workers, volunteers, trainees and interns) (collectively “IRIS Personnel”), consultants, contractors, and any other person or persons associated with IRIS (including third parties), no matter where they are located (within or outside of Malaysia).

- 3.2 In the context of this ABAC 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 employees, members, advisors, representatives and officials, politicians, and public parties.
- 3.3 Any arrangements IRIS makes with a third party must be 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 Bribery and corruption refer to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting gratification (e.g. money, gift, favour) of any value which can be financial or non-financial, directly or indirectly, in order to gain commercial, contractual, regulatory, or personal advantage or to induce or influence or reward an action or non-action or decision.
- 4.2 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 ABAC Policy refers to three (3) areas:
- Gifts and Hospitality.
 - Facilitation Payments and Kickbacks.
 - Charitable Contributions and Sponsorships.

5.2 Gifts and Hospitality

- 5.2.1 As a general rule IRIS practises a “no gift” policy save as otherwise allowed under the IRIS’ Gift and Hospitality Policy.
- 5.2.2 Particularly, no gifts including gratuities, favours, entertainment, or other things of value shall be offered or given to government officials, local or foreign, on behalf of IRIS unless it meets the requirements in accordance with IRIS, Gift and Hospitality Policy.
- 5.2.3 In accordance with IRIS’ Gift and Hospitality Policy, gifts or hospitality given and received by IRIS Personnel **MUST BE DISCLOSED** to the relevant Head of Department and properly recorded by the Legal and Corporate Services in the Gift and Hospitality Register as prescribed in the Company’s Gift and Hospitality 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 requested by low level officials to be rewarded for 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 and Sponsorships

- 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. However, IRIS recognises that providing charitable contributions and sponsorships by nature can pose a bribery risk as it involves payments to a third party without tangible return and this may be used as a cover up or route for bribery. Thus, all charitable contributions and sponsorships must be carefully examined for its legitimacy and adhere strictly to the applicable approval procedures.
- 5.4.2 IRIS Personnel must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery. Appropriate due diligence must be conducted to ensure that the recipient is legitimate and that the donation will only be used for charitable or other legitimate purposes.
- 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.

5.5 Due Diligence

IRIS expects IRIS Personnel and business partners to act with the highest integrity and undertake a zero -tolerance approach towards all forms of bribery and corruption. As such, IRIS conducts appropriate and adequate due diligence on all IRIS Personnel and business partners before entering into a formalised relationship.

5.6 Conflict of interest

IRIS Personnel and business partners shall declare conflicts of interest on a periodic basis and/or where actual, potential or perceived conflicts arises.

5.7 Extortion Payment

IRIS strictly prohibits giving, whether directly or indirectly, any extortion payments in return for any business advantage for the Company. Extortion payment is the demanding of a gratification, whether or not coupled with a threat if the demand is refused. This refers to money that is forcibly extracted from the Company or IRIS Personnel by real or perceived threat to health, safety and liberty. In such situations, this must be reported to the Head of Legal and Corporate Services.

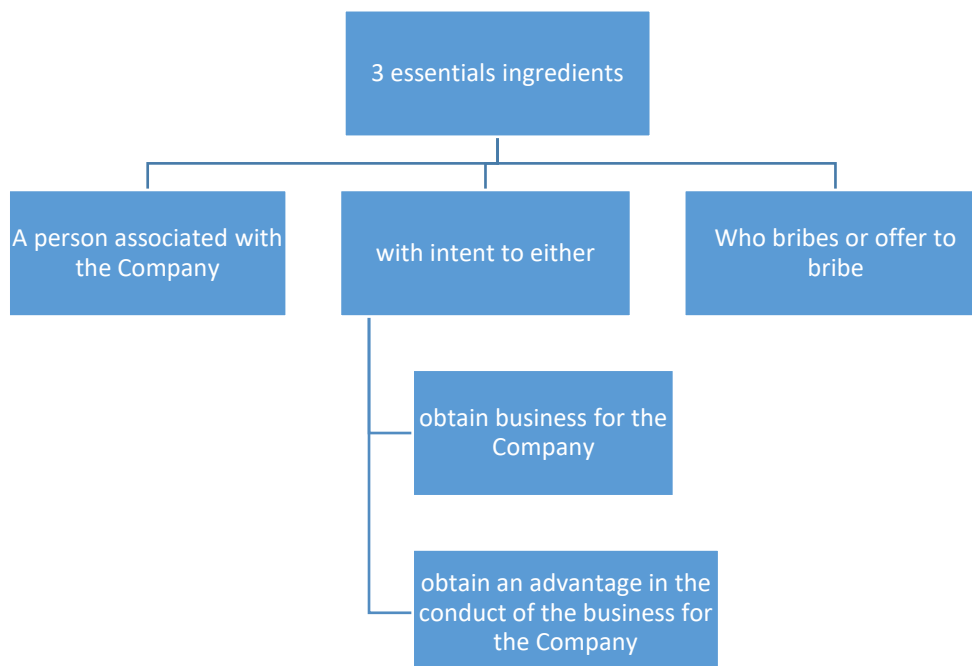
6. CORPORATE LIABILITY PROVISION UNDER SECTION 17A OF THE ACT

6.1 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.

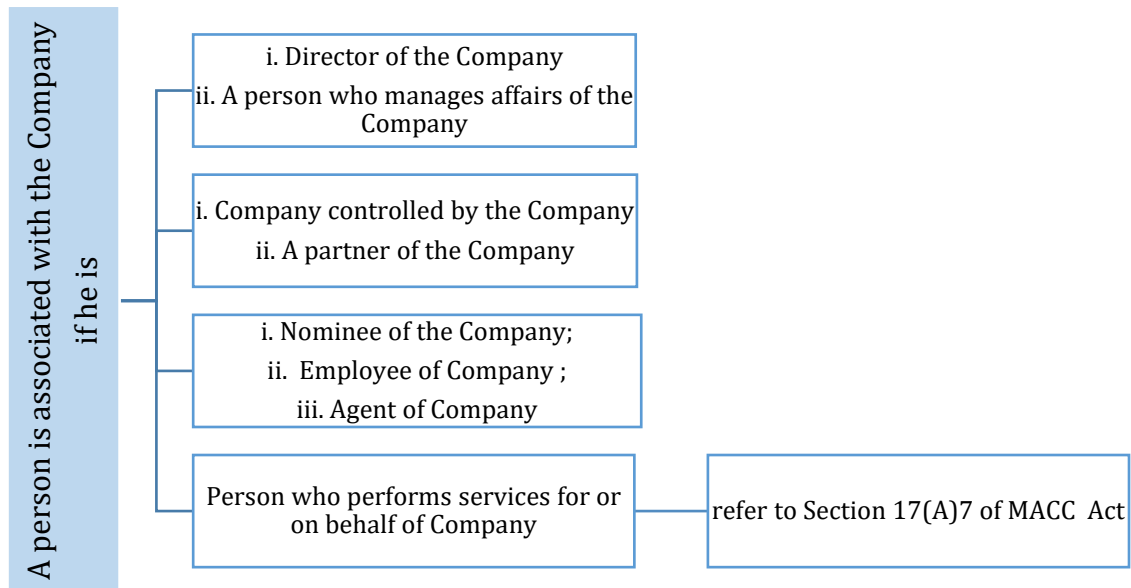
6.2 17A (1) of the MACC Act provides that “a commercial organisation commits an offence if any person associated with the commercial organisation commits a corrupt act (i.e. gives, agrees to give, promises or offers to any person any gratification) to obtain or retain business or advantage for the commercial organisation”.

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

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



6.5 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 of the company. When the company is prosecuted for corruption, its 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 ABAC Policy shall constitute a serious misconduct or offence warranting disciplinary action (including termination of employment or business relationship). This section of the ABAC Policy covers two (2) areas:

- a. How to report an infringement of the ABAC Policy; and
- b. Protection for whistleblower.

7.2 Reporting of an infringement of this ABAC 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 to:

Chairman of the Board of Audit and Risk Management Committee
IRIS Corporation Berhad
IRIS Smart Technology Complex,
Technology Park Malaysia, Bukit Jalil,
57000 Kuala Lumpur, Malaysia
Email: whistleblowing@iris.com.my

The recipient of the report via whistleblowing@iris.com.my shall be Chairman of the Board of Audit and Risk Management Committee, and Head of Legal and Corporate Services. It is the duty of IRIS to familiarise all IRIS Personnel with its whistleblowing procedures so that IRIS Personnel 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 and Corporate Services as soon as possible.

7.3 Protection for whistleblower

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 in good faith. IRIS's Whistleblowing Policy provides protection to the whistleblower who comes forward voluntarily to report or reveal information on corrupt activities. The Whistleblowing 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 ABAC Policy as part of the induction process for all new employees. IRIS Personnel will also receive regular, relevant training on how to adhere to this ABAC Policy, and will be asked annually to formally acknowledge that they will comply

with this ABAC Policy. The training on this ABAC Policy will be provided by Legal and Corporate Services Department and to be facilitated by Human Resources Department.

- 8.2 This ABAC Policy and IRIS's zero-tolerance approach 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 ensure that all transactions are recorded timely, accurately and in adequate detail. 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 & REVIEWING

Monitoring

- 10.1 The Head of Legal and Corporate Services is responsible for monitoring the effectiveness of this ABAC Policy, review its implementation, 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. IRIS Personnel are encouraged to offer their feedback on this ABAC Policy if they have any suggestions on how it may be improved. Feedback of this nature should be addressed to the Head of Legal and Corporate Services.
- 10.4 This ABAC 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 the ABAC Policy, please contact the Legal and Corporate Services, department at legal@iris.com.my.

Risk Assessment

- 10.6 The Enterprise Risk Management Committee ("ERMC") oversees the assessment of bribery and corruption risks of the Company. An assessment in relation to bribery and corruption risks shall be conducted on a regular basis and presented to Audit Risk Management Committee ("ARMC") for review.
- 10.7 In addition to the risk assessment conducted on regular basis as per 10.6, by the respective departments and business units, the Corporate Planning & Risk Management Department shall carry out a comprehensive assessment of the Company's exposure to bribery and corruption risks at least once every 3 years.