



SPRING ART HOLDINGS BERHAD

ANTI- BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION

The Board of Directors (the “Board”) of Spring Art Holdings Berhad (“Company”) and its subsidiaries (collectively “The Group”) has established and adopted this Anti-Bribery and Corruption Policy (“Policy”). The Group is committed to conducting the business ethically, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or reenactments that may be made by the relevant authority from time to time. This Policy provides principles, guidelines and requirements on how to deal with bribery and corrupt practices that may arise in the course of daily business and operation activities within the Group.

Unless otherwise stated, any references to “we”, “us” and “our” in this Policy are to our Company and our subsidiaries taken as a whole.

2. PURPOSE

This Policy’s purpose is to set out our responsibilities to comply with laws against bribery and corruption; and provide information and guidance to those working for the Group on how to recognize and deal with bribery and corruption issues. We will 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.

3. SCOPE AND APPLICATION

This Policy applies to all individuals working for the Group at all levels and grades. This includes employees, senior managers, managers and all individual working at all levels and grades (collectively the “Employees”) and the Board (whether full time, part-time, contract or temporary) and any third parties associated with us. In this Policy, the associated third parties shall refer to any individual or organization that an associate may come into contact during the course of his/her engagement with the Group, which may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisers, government and public bodies including their advisors, representatives and officials (hereafter together defined as “Associated Third Parties”).

4. DEFINITIONS

For the purpose of this Policy, the terms listed below represent its respective definitions and shall exclude food and drinks, flowers and contribution/sponsorship to the Group official events:

“Benefits”:	Any form of advantages or profits gained by the Board, the Employees, and the Associated Third Parties.
“Bribery”:	Offering, promising, giving, accepting or soliciting of an undue advantage of any, directly or indirectly in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to that person’s duties, action or decision.
“Corruption”:	The provision or receipt of monetary or non-monetary bribe or reward of high value for performing in relation to the Board, the Employees’ and the Associated Third Parties’ duties. This includes misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
“Entertainment or Hospitality”:	(a) The provision of recreation; or (b) The provision of accommodation or travel in connection with or for the purpose of facilitating entertainment of the kind mentioned in item (a) above, with or without consideration paid whether in cash or

	in kind, in promoting or in connection with a trade or business activities and/or transactions
"Facilitation Payments":	Small sums or bribe, unofficial payment made to secure or expedite the performance of a routine action by the Board, the Employees, and the Associated Third Parties.
"Kickbacks":	Any forms of payment intended as compensation for favorable treatment or other improper services. This includes the return of a sum already paid or due as a reward for awarding or furthering business.
"Gifts" :	Any form of monetary or non-monetary such as goods, services, cash or cash equivalents, fees, rewards, facilities, or benefits given to or received by an the Board, the Employees, and the Associated Third Parties, his or her spouses or any other person on his or her behalf, without any or insufficient consideration known to the Board, the Employees, and the Associated Third Parties.
"Third Party":	Any individual or organization you come into contact with during the course of your work for us. This includes actual and potential customers, suppliers, business contacts, Intermediaries, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

5. PRINCIPLES

- We take a zero-tolerance approach to corruption and bribery.
- We conduct all of our business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our relationships and business dealings in accordance with our Code of Conduct and to implement and enforce effective system to counter bribery.
- We will uphold all laws relevant to countering corruption and bribery. We remain bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time in respect of our conduct both at home and abroad.
- To address these risks, we have taken the following steps:
 - a) Implement this Policy;
 - b) Take steps to implement training programmes for all individuals operating in areas of the organization that are identified as high risk; and Anti-Bribery and Corruption Policy
 - c) Regular review and update to this Policy.

6. RESPONSIBILITIES

- All persons who are subject to this Policy shall NOT:
 - a) offer, give, or promise to give a bribe or anything which may be viewed as a bribe to secure or award an improper business advantage;
 - b) offer, give, or promise to give a bribe or anything which may be viewed as a bribe to a government official, agent or representative to facilitate, expedite, or reward any action or procedure;

- c) request or receive a bribe or anything which may be viewed as a bribe from a third party knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them; or
 - d) engage in any activity that might lead to a breach of this Policy.
- All persons who are subject to this Policy are debarred from accepting or receiving Gifts, Benefits, Entertainment or Hospitality from a third party or stakeholder of the Company that might create a sense of obligation and compromise their professional judgement or create appearance of doing so.
- All persons who are subject to this Policy shall not accept or receive any Gifts, Benefits, Entertainment or Hospitality from a third party or stakeholder of the Company except if it is made from gestures that are construed to be legitimate contribution and provided that the Gifts, Benefits, Entertainment or Hospitality are presented in good faith and below a monetary value of equivalent to RM500, which may be directly or indirectly offered as a result of or in anticipation of the Board's, employee's and Associated Third Party's position or performance of duties with the Company or for cultivating good business relationship.
- All persons who are subject to this Policy shall exercise proper care and judgement in respect of giving or receiving any Gifts, Benefits, Entertainment or Hospitality on a case-to-case basis.
- All persons who are subject to this Policy shall take into consideration the impact of their actions with regards to how their actions are perceived (i.e., Influencing their decision) and its impact towards the business operations of the Company prior to giving or accepting any Gifts, Benefits, Entertainment or Hospitality.
- We encourage the use of good judgement when giving or accepting the Gifts, Benefits, Entertainment or Hospitality. All the Benefits including Gifts, Benefits, Entertainment or Hospitality must be: -
 - a) reasonable in value;
 - b) infrequent in nature;
 - c) transparent and open;
 - d) not given to influence or obtain an unfair advantage; and
 - e) respectful and customary

7. FACILITATION PAYMENT AND KICKBACKS

- We do not make and will not accept Facilitation Payments or Kickbacks of any kind. All associates must avoid any activity that might lead to Facilitation Payments or Kickbacks being made or accepted.
- Any individual with any suspicious, concerns or queries regarding a payment made on our behalf or improper business practices, he or she should raise these by reporting to the Company via the channel as outlined in our Whistleblowing Policy.

8. ASSOCIATED THIRD PARTIES AND PROCUREMENT PROCESS

- We had processes and adheres to the system of internal controls on supplier selection. Supplier selection should never be based on receipt of the Gifts, Benefits, Entertainment or Hospitality.
- Bidding process is open to all qualified bidders and no parties having the unfair advantage of separate, prior, close-door negotiations for a contract.

- Selection of supplier shall subject to clear adherence to Purchase Process Policies and Procedures and compliance with the Group's Code of Conduct.

9. POLITICAL DONATIONS AND CONTRIBUTION

- We do not make charitable donations or contributions to political parties. Whilst our Employees and the Associated Third Parties acting in their personal capacity as citizens are not restricted to make any personal political donations, the Group will not make any reimbursement for these personal political contributions back to its Employees or the Associated Third Parties.

10. RECORD KEEPING

- We must keep all financial records and have appropriate internal controls in place which will evidence, substantiate and justify that business reason for making payments to, and receiving payments from, third parties.
- All the employees must keep Top Management aware and keep a written record of all Gifts, Benefits, Entertainment or Hospitality offered which over RM500min value by fill up Record of Gifts, Benefits, Entertainment or Hospitality Received by Employee Form (APPENDIX A). This form will then subject to the review of Top Management.
- All the employees need to fill up Integrity and Background Declaration Form for Employees (APPENDIX B) to declare their integrity and background. This form will be kept in their personal files.
- All the employees also need to fill up Declaration of Conflict-of-Interest Situations (APPENDIX C) to disclose any relationship with any conflicted party.
- Regular supplier/ contractor/ agent/ customer needs to fill up the Declaration Letter for Anti Bribery and Corruption Policy (APPENDIX D) to ensure their acknowledgment.
- We must ensure all expenses claims relating to Gifts, Benefits, Entertainment or Hospitality made to third parties are submitted in accordance with the Company's reimbursement procedures and/or applicable policy and specifically record the reason for such expenditure. All the 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 third parties, such as customers, suppliers and business contracts, should be prepared and maintained with strict accuracy and completeness.

11. CONFIDENTIALITY AND PROTECTION

- Individuals who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.
- We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this Policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.

12. COMMUNICATION

- The Group will on a continuing basis provide information on this Policy, and on anti-bribery and corruption laws and on how to implement and comply with this Policy, for all new and existing Employees.
- Our zero-tolerance approach to bribery and corruption must be communicated to all the Associated Third Parties at the outset of our business relationship with them and as appropriate thereafter. Wherever possible, all the Associated Third Parties should be sent a copy of this Policy at the outset of the business relationship or shall always refer to this Policy published on our Company website.

13. CORRUPTION RISK ASSESSMENT

- Risk assessments shall be conducted with intermittent assessments. Periodic assessment meeting will be held between Compliance Officer with Top Management's representative and also Human Resource Department's representative. The risk identified will update into the Bribery Risk Register which shall include:
 - a) Business Factors/ Processes whereby potential bribery occurred
 - b) Needs & Expectations of Interested Parties for the Business Factors/ Processes
 - c) the bribery and corruption risks and its internal factors and external factors
 - d) Existing Control Measures
 - e) Risk estimation rating according to probability, impact and level of risks
 - f) Risk mitigation strategies and action plans

14. DISCLOSURE OF POTENTIAL CONFLICTS

- Employees must promptly disclose to the Company material information regarding any relationship, ownership or business interest (other than non-controlling investments in publicly-traded corporations), whether direct or indirect, that the employee or a member of his/her immediate family has with any person, or in any business or enterprise, that:
 - a) Competes with the Company; or
 - b) Purchase or sells, or seeks to purchase or sell, goods or services to or from the Company.
- Employees are required to fill up Integrity and Background Declaration Form for Employees (APPENDIX B) to declare their integrity and background on annual basis.
- Employees are also required to fill up Declaration of Conflict-of-Interest Situations (APPENDIX C) to disclose any relationship with any conflicted party. The declaration of conflict of interest shall be conducted on annual basis according to the risk and impact of Company for the position which has significant financial responsibilities or decision maker, etc.

15. DEALING WITH PUBLIC OFFICIALS

- The Group strives to build transparent and fair relationships with government agencies and public officials. Personnel and Business Associates of the Group must exercise caution when dealing with public officials and appropriate action must be taken to comply with applicable laws and regulations of bribery and corruption in Malaysia and in all countries in which the Group operates.
- Regular supplier/ contractor/ agent/ customer needs to fill up Declaration Letter for Anti Bribery and Corruption Policy (APPENDIX D) to ensure their acknowledgment about the Group's ABAC policy.

16. ANTI-BRIBERY COMPLIANCE FUNCTION

- The Group appoint Compliance Officer to oversee and drive the implementation of the Anti-Bribery and Corruption Management System
- The Compliance Officer will responsible for all anti-corruption compliance matters, including:
 - a) Oversee the design and implementation of Anti-bribery Management System;
 - b) Provide advice and guidance to Personnel and Business Associate on implementation of Anti-bribery Management System and issues relating to bribery and corruption; and
 - c) Monitor and report the performance of Anti-bribery Management System to Board of Directors on needs basis.

17. REPORTING FOR VIOLATIONS OF POLICY

- Whistle-blower can report to the Chairman of Audit and Risk Management Committee regarding violations of this policy. Channel of reporting to the Chairman of Audit and Risk Management Committee are:

Name: Ivan Law

Email: whistleblower@springart.com

Mail: **Mark Strictly Confidential**

Spring Art Holdings Berhad

Lot PLO 49, Jalan Rami 4,

Kawasan Perindustrian Bukit Pasir,

84300 Bukit Pasir, Muar, Johor, Malaysia.

Attention: Audit and Risk Management Committee Chairman

- Personnel who encounter actual, suspected or attempted wrongdoings including bribery and corruption or violations of this Policy are required to report their concerns using the reporting channels as stated in the Whistle Blowing Policy.
- Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.
- Whistle-blowers who wish to remain anonymous shall be guaranteed anonymity unless the law requires disclosure of identity in the legal proceedings. Files and reports in relation to the case shall be kept secured and information received shall be held in the strictest confidence.
- Retaliation in any form against the Whistle-blower where the person has, in good faith, reported a wrongdoing, violation or possible violation of this Policy is strictly prohibited.

18. MONITORING AND REVIEW

- All the Employees and the Associated Third Parties are responsible for the success of this Policy and should ensure adherence to this Policy and use it to disclose any suspected danger or wrongdoing.
- Compliance Officer will responsible for the review of Anti Bribery and Corruption Policy.
- Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering corruption and bribery.
- This Policy does not form part of the associates' contract of employment and it may be amended at any time by the Company even though all the Employees and the Associated Third Parties are welcome to comment on this Policy and suggest ways in which it might be improved.