



DESWELL PACKAGING (M) SDN BHD

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1.0. Introduction

- 1.1. In Deswell, one of our business missions is to practice fairness and honesty at all times; to our customers, employees and community. Hence, integrity and honesty are two important values that form the sole spirit of our business. We are committed to maintain the highest standard of ethical and moral practice by only complying to fair, honest and transparent conduct of business. This policy leverages our company's strong stance against tolerating bribery and corruption. It is also our commitment to comply 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.
- 1.2. Our company's Anti-Bribery and Anti-Corruption Policy is an elaboration of bribery and other corrupt practices that may arise in the course of business. It is a guide for our management and employees to learn to prevent, detect and correct the acts of bribery and corruption.
- 1.3. Unless otherwise stated, any references to "we", "us" and "our" in this Policy are to our Company and our subsidiaries taken as a whole.
- 1.4. The policy should also be read in unification with other applicable internal policies, procedures, guidelines, manuals and applicable regulatory guidelines to the Company's personnel.

2.0. Objectives

The aims of the Anti-Bribery and Anti-Corruption Policy are to:

- a) Set out our responsibility to comply with the anti-corruption and bribery laws in Malaysia and how to deal with improper solicitation, bribery and other corrupt activities as well as issues that may arise in the course of business and operations.
- b) Provide guidance to our company's personnel on how to deal with improper solicitation, bribery and other corrupt activities as well as issues that may arise in the course of business and operations.
- c) Educate our company's suppliers, contractors, sub-tractors, vendors, agents, consultants, representatives, and other representatives acting for or on behalf of the Company on its core values and expectations as well as guidelines and processes that relate to the Company's compliance of this Policy.
- d) Ensure business conduct is fair, honest and transparent
- e) Minimise the risk of bribery and corruption

3.0. Scope and Application

- 3.0. This Policy applies to all Directors, Managers and Employees of Deswell Packaging (M) Sdn Bhd. This Policy's general principles and restrictions are also applicable to suppliers, vendors, consultants, and any other third parties acting on behalf of Deswell.
- 3.1. The scenarios provided within this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances surrounding bribery and corruption. Compliance to the Policy is mandatory and will be monitored with a principle-based approach.

- 3.2. This Policy is not intended to be exhaustive and there may be additional obligations that the Personnel are expected to adhere to or comply with during the course of business and operations.

4.0. Anti-bribery and Anti-corruption Policy

4.1. Bribery and Corruption

All Associated Persons are prohibited from any acts of bribery and corruption, whether for their personal benefit or for the benefit of Deswell Packaging (M) Sdn Bhd.

- 4.1.1. “Bribery” includes offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly in violation of applicable law, as an inducement or reward to influence the other person’s duties, action or decision.
- 4.1.2. “Corruption” is defined by the acts of abusing entrusted power through monetary or non-monetary bribe or reward of high value for private gain, which includes extortion, collusion, breach of trust, trading under influence embezzlement, fraud or money laundering.

4.2. The terms “any value” includes:

- i. Financial value: Cash or equivalent.
- ii. Extravagant or lavish hospitality, gifts and entertainment.
- iii. Offers or promises of contracts or business opportunities to third parties (directly or indirectly) without going through the appropriate processes.

5.0. Political Contribution

- 5.1. Political contribution is a contribution, financial or non-financial, made to a politician or a political campaign or a political party. This type of contribution is prohibited within the organization, either directly or indirectly supporting to local or state federal candidate, political party or political committee. Political contribution can be legitimate if supporting documents or financial reports are provided to support the process. But exceptions are made for contributions to industry associates or fees for membership in organization that serve business interests, which are not considered to be political contributions.

6.0. Charitable Contribution

- 6.1. Charity activities and company donations are Deswell Packaging's commitment to contribute to the community. Forms of donation may include anything of value donated in cash or in kind, such as goods or services. Fees for membership in social and charitable organisations are considered donations. Charitable donation is allowed but all donations of any kind must be transparently carried out. Any charitable contribution made has to be independent from any business implications.

7.0. Sponsorships

- 7.1. Sponsorship is the act of supporting an event, activity, person or organization financially or through the provision of products or services. Unlike charitable contribution, it is made for business objectives and usually for brand and reputation management purposes. All sponsorship needs to be approved by the Company's Managing Director or Directors.

8.0. Facilitating Payments

- 8.1. Any form of facilitation payments is prohibited in the company.
- 8.2. Facilitating payment is any payment made to the government official as a bribe to speed up and/or secure the conduct of a non-discretionary “routine governmental action”. Examples of activities involving “routine governmental action” are obtaining permits, licenses or official documents to qualify a person or entity to do business; processing governmental papers; clearing goods through customs or obtaining police protection. However, facilitating payments are different from express payments, which are used to accelerate a process as express payments are legitimate, for which an invoice or receipt will be issued for such transaction to be transparently recorded.
- 8.3. In the event facilitation payment is offered or demanded from you, you must report it immediately or at the earliest opportunity to Human Resources department regardless of amount and whether the payment is made or otherwise.
- 8.4. Facilitating and extortion of payments, regardless of amount of whether payment is made or otherwise will be recorded in our Company’ system for future records.

9.0. Gifts, Entertainment and Hospitality

- 9.1. Reasonable gifts and entertainment offered openly in the normal course of business to promote good relations and mark special occasions are not bribes. Whereas an expensive gift or the offer of lavish entertainment can be used as bribes and may be perceived as such under local laws if made deliberately with intention of improperly gaining business advantage and perhaps preparing the way for more extensive bribery.

9.2. Employees of Deswell are not allowed to accept any gifts that may lead to the implication of bribe, except for corporate gifts.

10.0. Third Parties

10.1. Our company can be held liable for the actions of third parties, particularly where a third-party intermediary performs services or conducts dealings, discussion or negotiations with public or private organisations on behalf of Deswell Packaging (M) Sdn Bhd. In this case, our company may be held responsible of the actions of third parties if the company have failed to take sufficient steps in preventing third parties from participating in bribery or related conduct, whether or not the Company was aware of the alleged improper conduct.

10.2. All third parties conducting business with, for or on behalf of the Company are required to conduct business in an honest and transparent manner, with professionalism and integrity. Our Company is committed to not give or accept bribes, or work for those who do, hence any third parties that commit such offences will be subjected to disciplinary actions.

11.0. Government Dealings

11.1. Dealing with Public/ Governmental Officials & Politically Exposed Person

Our Company shall not inappropriately influence government/public officials to obtain commercial advantage or business favour or give, offer, pay, or promise to give, bribes or kickbacks including lavish and extravagant gifts to government/public officials for the use of personal funds or resources to make facilitation payments or bribes.

11.2. Political Contribution and Donation

Our Company prohibits the support and making of contributions or donations to any political candidate or political party or an election campaign for the purpose of gaining any business or commercial advantage; or where in return, the politician(s) are expected to promote the interests of whoever that made the contribution, potentially in violation of their official duties.

12.0. Conflict of Interest

- 12.1. A conflict of interest can arise at any point in time when an act taken place outside the workplace interferes with the work you do in Deswell Packaging. Conflict of interest can be detrimental to our business and internal control environment as it may have compromised the interests of our Company or improperly influence the conduct and performance of our Personnel.
- 12.2. When making decisions on behalf of Deswell, our Personnel will adhere to:
 - (a) Act in the best interest of the Company;
 - (b) Not let personal interest affect the business decisions you made on behalf of the Company;
 - (c) Avoid the appearance of a conflict.
- 12.3. It is incumbent for the Personnel to make immediate full disclosure of the conflict in the event that it is discovered where it will be perceived to compromise your objective to make impartial business decision in connection to your professional duties at Deswell.
- 12.4. Our employees are directed to declare such conflicts of interest to the Human Resources department when confronted with such conflict.

13.0. Anti-money Laundering

- 13.1. All Personnel and those who have dealings and arrangements with Deswell shall comply with applicable anti money-laundering laws.

14.0. Training and Communications

- 14.1. Deswell Packaging (M) Sdn Bhd will conduct training to our Personnel of the Company's anti-bribery and corruption measures. Honesty and integrity throughout business will be constantly highlighted during meetings and assemblies within the organization.
- 14.2. This Policy will also be communicated with any associated third parties or external parties at the outset of business relationship and as appropriate thereafter. Our Business Partners must read and understand Deswell Packaging's position on anti-bribery and anti-corruption.

15.0. Discipline

- 15.1. The company and its employees can be investigated by government officials in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law or criminal law, which could result in severe fines and penalties, debarment and imprisonment if a violation of anti-bribery and corruption laws and regulations is established.
- 15.2. Any employee found to be in violation of this Policy will be subjected to disciplinary action, up to and including termination of employment, in accordance with applicable laws and company policies.

- 15.3. Any third parties working for Deswell Packaging who are found to be in violation of this Policy will be subjected to termination of business relationship as well as any other legal and remedial actions available to the Company under applicable law.

16.0. Reporting Breaches and Concerns

- 16.1. In order to provide employees, suppliers, vendors associated stakeholders and customers a safe platform to raise serious concerns or report breaches of misconduct or wrongdoing, a whistleblowing policy has been established to ensure all reported cases will be addressed in a timely and fair manner. Employees and stakeholders who raise concerns in good faith in accordance with this Policy are protected from punishments within the limits of the law.
- 16.2. Any whistleblowing reports in strict confidence can be made via e-mail to whistleblowing@deswell.com.my.

17.0. Revisions

- 17.1. The Management reserves the right to amend, suspend or terminate this policy at any time when deemed necessary, based on relevance and compliance with the current law.

Dated 1st day of March 2022