

**AJINOMOTO (MALAYSIA) BERHAD**  
[Registration No. 196101000252 (4295-W)]  
(Incorporated in Malaysia)

## **ANTI-BRIBERY AND ANTI-CORRUPTION (“ABAC”) POLICY & PROCEDURES.**

### **1.0 PURPOSE**

The purpose of this procedure are as follows:

- a. To ensure the policies and procedures are oriented towards embedding ABAC stance organisation wide, with guidance from Guidelines on Adequate Procedures and requirements of Malaysian Anti-Corruption Commission (“MACC”) Act 2009, introduced via Section 4 of the MACC (Amendment) Act 2018;
- b. To ensure adequate and standardised ABAC policies and procedures are consistently applied throughout AMB by all relevant staff and
- c. To ensure that business operations within AMB are strictly adhering to the ABAC Policies & Procedures.

### **2.0 SCOPE**

2.1 This ABAC Policies & Procedures (hereinafter referred to as “Policies & Procedures”) defines the policies and procedures for Ajinomoto (Malaysia) Berhad (“AMB”). Rules (including Circulars and Letters) from the regulators shall automatically supersede the existing operating policies and procedures herein stated.

2.2 This ABAC Policies & Procedures are applicable to the following stakeholders:

- a. directors and every employee within AMB; and
- b. Vendors for AMB which include agents, contractors, suppliers, advisors, consultants, internal and external auditors and others performing work or services for or on behalf of AMB.

It is the intention of the Management of AMB to ensure that these procedures serve as our commitment to prohibit bribery and corruption in the conduct of AMB business.

### **3.0 REFERENCE**

3.1 Section 17A, Malaysian Anti-Corruption Commission Act 2009

### **4.0 DEFINITIONS**

#### **4.1 Bribery**

ISO 37001:2016 defines bribery as offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person’s duties.

#### **4.2 Board of Directors (“BOD”)**

This refers to the Board of Directors of AMB.

- 4.3 Chief Executive Officer (“CEO”) /Managing Director (“MD”)**  
This refers to the highest-ranking executive in AMB, responsible for carrying out these ABAC Policies & Procedures, acting as the main point of communication between the Board members and corporate operation.
- 4.4 Corporate Hospitality**  
This refers to any considerate care of guests offered in the manner that complete expenses are borne by AMB. This includes refreshments, accommodation and entertainment at a restaurant, hotel, club, resort and other venue.
- 4.5 Corruption**  
The MACC Act 2009 defines corruption as 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 his/her job description.
- 4.6 Donation**  
This refers to the gift given out by AMB for charity, humanitarian aid or to support local community welfare, whether in-kind or by way of financial contribution.
- 4.7 Employee**  
This refers to any person who is in the employment of AMB, but not limited to executives and non-executives and contract employees.
- 4.8 Facilitation Payment**  
This refers to illegal or unofficial payment made in return for services that AMB is legally entitled to receive without making such payment. For example, a payment made to a government official or a person with certifying/ approval function to expedite the necessary action in the capacity of abovementioned person.
- 4.9 Gift**  
This refers to items given to AMB or any employee by a third party or items received by AMB or its staff from a third party without the expectation of payment or benefit in return. For example, vouchers, gift cards, branded products or promotional items, hamper, and festive gifts (i.e. mooncake, mandarin orange).
- 4.10 Guidelines on Adequate Procedure**  
This refers to the document issued by the Prime Minister’s Department in December 2018, pursuant to Section 17A (4) and (5) of the MACC Act 2009.
- 4.11 ISO 37001:2016**  
This refers to the international standards on requirements and guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.
- 4.12 Limit of Authority (“LOA”)**  
This refers to the approved documents stipulating the approving authority and authority limits allowed for management at AMB.
- 4.13 Politically Exposed Person (“PEP”)**  
A PEP is an individual in a prominent public role, or their close associates, who are at higher risk for involvement in corruption or financial crimes, and therefore requiring enhanced due diligence.
- 4.14 Management**  
This refers to the management team of AMB, including Head of Departments, Officers and the CEO/MD.

**4.15 Risk Management Committee**

This refers to the Risk Management Committee (“RMC”) of AMB, providing oversight of Emergency Reporting Procedure and corruption risk assessment of AMB.

**4.16 Sponsorship**

This refers to support, either financially or by way of product and/ or services for an event or activities organised by a profit/ non-profit organisation, local communities, government departments or agencies, primarily aimed at raising awareness about AMB profile.

**4.17 High Risk Countries Lists**

High Risk Countries Lists as identified by Financial Action Task Force (FATF) which designated by the Government of Malaysia under Anti-Money Laundering Act (AMLA) and is updated from time to time.

**4.18 Public or Government Official**

A public or government official is a person who works for the government and has the authority to make decisions and enforce laws. This can include roles like lawmakers, police officers, judges and heads of government departments. They are responsible for serving the public and ensuring that government policies and laws are followed.

**5.0 PROCEDURES****5.1 Responsibilities****5.1.1 CEO/MD**

- a. Sets commitment towards prohibition of bribery and corruption in the conduct of AMB business;
- b. Maintains oversight on ABAC governance, ensuring that best practices of ABAC management system are established, implemented, maintained and reviewed to adequately address AMB’s bribery and corruption risks, including these ABAC Policies & Procedures;
- c. Provides overall direction on the establishment, implementation and periodic review of ABAC Policies & Procedures;
- d. Ensures the integration of ABAC Policies & Procedures requirements into key organisation functions such as human resource management, procurement and finance, and enhancement of the underlying controls on these key functions so as to support ABAC Policies & Procedures requirements;
- e. Supports the resource allocation and investment in a robust and effective ABAC Policies & Procedures;
- f. Supports adequate training and awareness programmes for the employees of AMB;
- g. Promotes appropriate ABAC culture within AMB; and
- h. Supports other relevant management personnel in preventing and detecting bribery and corruption.

**5.1.2 Chief Administration Officer (“CAO”)**

- a. Ensures that the ABAC Policies & Procedures are adhered to within AMB;
- b. Reports on non-compliance cases to the RMC, including follow-up action status on the said cases;
- c. Communicates on the ABAC Policies & Procedures, both internally and externally;
- d. Attends to inquiries about AMB’s ABAC Policies & Procedures and its practices within AMB; and
- e. Facilitates the corruption risk assessment periodically.

### 5.1.3 Employee

- a. Executes the ABAC Policies & Procedures, including enhancement of underlying controls on affected functions under his/ her responsibility, as elaborated in these ABAC Policies & Procedures;
- b. Adheres to the requirement of these ABAC Policies & Procedures; and
- c. Reports on suspected bribery or corruption via the whistleblowing channel of AMB.

### 5.1.4 Amendments to Policies & Procedures

If there is any requirement to update, improve, and/or amendments made to these ABAC Policies & Procedures, proposed changes shall be submitted for authorisation. Key information on addition of new procedures / procedure and deletion or variation of existing procedures / procedures shall be indicated for version control purpose

## 5.2 Corruption Risk Assessment

- a. The BOD, through the RMC, which comprises the CEO/MD and other key Management staff shall oversee and ensure accountability of corruption risk identified with the corresponding controls to be implemented guided by Guidelines on Adequate Procedures.
- b. The risk parameters (i.e. financial impact, customer relationship and reputation / media) are established to estimate the consequences of a risk, namely likelihood of occurrence and criticality of impact, based on AMB's risk appetite.
- c. Corruption risks shall be recorded as one of the risks in the risk register and shall be evaluated and reported to the RMC.
- d. RMC of AMB shall conduct regular risk assessment at the minimum on a yearly basis and/or when there is a change in law or circumstances of the business to ensure the identified corruption risks remain relevant and adequate mitigating controls are discussed and implemented.
- e. Specific anti-corruption plan shall be identified by the respective Head of Departments and reported to the CAO for review and monitoring.

## 5.3 Gift and Corporate Hospitality

AMB recognises the importance of gift and corporate hospitality giving / acceptance activities to maintain good rapport with its vendors, customers and government officials. The policies and procedures set out below are to safeguard AMB's reputation and to protect its employees from allegations of soliciting bribes, corruption or exercising undue influence on external party(s) for personal gain.

### 5.3.1 Purchase of Gift Pertaining to Corporate Hospitality

- a. Executives and higher-level personnel are authorised to submit purchase requisitions, which shall be approved as specified in clause 5.3.1(e). Purchase requisitions for corporate hospitality shall be reasonable in amount. The cost of gift purchases is limited to RM500 per transaction.
- b. Such gifts and hospitality shall fulfil **ALL** the following conditions prior to approval:
  - i. They are intended to maintain good rapport with the vendors/ customers and government officials.
  - ii. Gifts in the form of cash or cash equivalent shall never be given or offered.
  - iii. The procedures shall be applied to both receiver and giver, either third party or AMB representatives, whether the value is reasonable/ not overly lavish and adhering to the other key criteria of eligibility in this paragraph 5.3.

- iv. They are limited, customary, lawful in Malaysia (such as during festive gift exchanges or open house events, etc.) and shall be in transparent manner;
- v. They do not have or perceived to be affecting action(s) or decision(s) of the receiving party;
- vi. There shall be no expectation of any specific favours, benefits or advantages from the intended recipients;
- vii. There shall not be any corrupt/ criminal intent; and
- viii. The giving out of gift or corporate hospitality shall be in accordance with AMB guidelines.

c. The types of gifts that are **allowable** and **non-allowable** are as follows:

<b>Allowable</b>	<b>Non-Allowable</b>
<ul style="list-style-type: none"> <li>i. Exchange of gifts (between company to company) as part of an official company visit.</li> <li>ii. Gifts from AMB to external institution or individuals in relation to a company's official function (commemorative gifts, door gifts) to create goodwill and enhance business relationship and vice versa gifts from external party to AMB.</li> <li>iii. Gifts from AMB to employees and officers and/or immediate family members related to internal / external functions (e.g. AGMs, annual dinner, festive season, family day, etc.).</li> <li>iv. Token gifts of nominal value bearing AMB logo (premium items such as pens, mugs, caps, T-Shirts) that are given out to members of the public, delegates, customers, partners &amp; stakeholders.</li> </ul>	<p>Gifts that can be easily converted to cash.</p>

d. Corporate hospitality may be required to entertain non-AMB personnel on behalf of AMB. Such corporate hospitality given must not be construed as a bribe (e.g. timing of the corporate hospitality shortly before or after, or during the tendering process which can be perceived to be affecting action(s) or decision(s) of the receiving party).

- e. Any purchase of gift or corporate hospitality requires approval from the following appropriate authorised personnel.

Equal to or less than RM1,000	More than RM1,000	Equal to or more than RM10,000
Departments under Factory Office:  i. Head of Department ii. Deputy Factory Manager iii. Factory Manager	Chief Production Officer  or,  Chief Research & Development Officer  or,  Chief Technology & Innovation and Supply Chain Officer	Chief Financial Officer and Chief Executive Officer / Managing Director
Head of Department	Chief Administration Officer  or,  Chief Financial Officer  or,  Chief Sales & Marketing Officer	Chief Financial Officer and Chief Executive Officer / Managing Director

- f. Gifts in the form of cash or cash equivalents shall never be given or offered to any public or government official.
- g. In the event of any dispute between any internal practices, existing procedures and/or procedures already imbedded within the constitution of the organisation prior to the commencement of this ABAC Policies & Procedures, all disputes on limits set in Section 5.3 of this ABAC Policies & Procedures shall prevail over all other documentations.

### 5.3.2 Gift Acceptance

- a. Under no circumstances that an employee of AMB shall receive or solicit for personal gift from an external party.
- b. Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of AMB is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever AMB's business relationship with the third party. However, in no circumstances may an employee, director or his/her family/household members accept gifts in the form of cash or cash equivalent.
- c. It is the authority of the Head of Departments to determine the treatment of the gift received based on any of the following:
- i. Donate the gift to charity;
  - ii. Hold for departmental display;
  - iii. Share with other employees in the department; or

iv. Permit it to be retained by the employee.

However, this shall take into account of the considerations below:

- i. Nature of gift;
  - ii. Purpose;
  - iii. Seniority of the giver;
  - iv. Business context, reciprocity, applicable laws and cultural norms.
- d. Any gift received by an employee of AMB from external party(s) requires to declare to the Head of Departments and Corporate Affairs Department.

### **5.3.3 Entertainment Acceptance**

- a. Employees of AMB shall exercise proper care and judgment prior to accepting entertainment from external parties. This is vital to safeguard AMB's reputation and to protect its employees from allegations of soliciting bribes or corruption.
- b. Any entertainment received by an employee of AMB from external party(s) requires to declare to the Head of Departments and Corporate Affairs Department.

## **5.4 Corporate Responsibility**

- a. All Corporate Responsibility ("CR") related sponsorships and donations shall be made in accordance with AMB's policies with prior approval by the appropriate authorised personnel in line with the LOA.
- b. Given the nature of AMB's business, government agencies or local authority bodies may request for sponsorship and/ or donations in respect of CR events. As part of AMB's commitment to corporate responsibility and sustainable development, as a general matter, AMB provides such assistance in appropriate circumstances and in an appropriate manner.
- c. Such requests shall be examined for legitimacy and not be made to improperly influence a business outcome. The proposed recipient shall be a legitimate organisation and appropriate due diligence shall be conducted in particular to ascertain whether any public officials are affiliated with the organisation. Any red flags shall be resolved before committing any funds to the programme. Even requests determined to be legitimate shall be carefully structured to ensure that the benefits reach their intended recipients.
- d. If any employees or Directors are in any doubt as to whether a charitable contribution or social benefit is appropriate, Management shall seek legal consultation accordingly.

### **5.4.1 Donation and Sponsorship**

- a. All sponsorships and donations shall comply with the following:
  - ensure such contributions are allowed by applicable laws;
  - obtain all the necessary internal and external authorisations;
  - be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
  - be accurately stated in AMB's accounting books and records; and
  - not to be used as a means to cover up an undue payment or bribery;

Examples of red flags to look out for are as follows:

- The proposed recipient /organisation have affiliations with public officials, PEP or their relatives are involved;
  - The contribution is made on behalf of a public official or PEP;
  - There is a risk of a perceived improper advantage for AMB; or
  - The proposed recipient is based in a high-risk country; the request comes from a high-risk country or the activity takes place in a high-risk country.
- b. Donation and sponsorship are only permissible with prior approval by the CAO or respective Officers. All donations and sponsorship payment shall be supported with an official letter of request from the requesting external party and proof of receipt.

## **5.5 Facilitation Payments**

- a. Facilitation payment to external parties, in particular, government officials, is strictly prohibited as it is seen as a form of bribery and corruption, unless it can be proven that such payment is legitimate and supported by an official receipt.
- b. Facilitation payment shall not be in any way or form be disguised or translated in as any personnel remuneration.
- c. Subject to the fulfilment of criteria in Section 5.3.1, facilitation payment request may be approved by the CEO/MD.
- d. The CAO shall maintain a record of such an event and report the payment to the relevant authority.

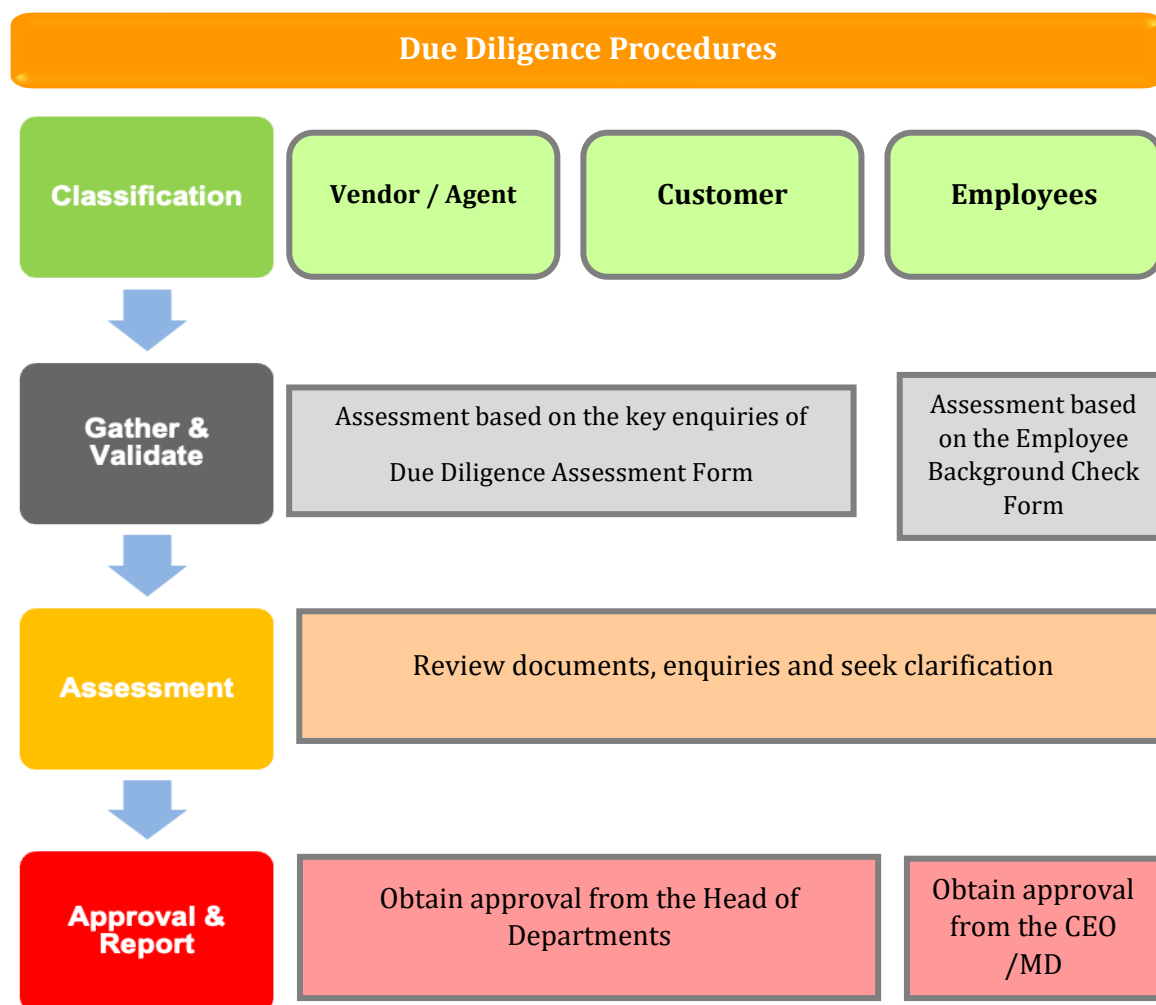
## **5.6 Due Diligence Procedures and Dealing with External Parties**

AMB recognises the objective of due diligence procedures on customers, vendors and employees to evaluate the risk of bribery and corruption associated with these parties. This also serves as a basis for decision making, whether to accept or reject before entering into any contractual arrangement or business dealing.

AMB Group shall require due diligence procedures to be applied on the key stakeholders below:

- i. Vendors for AMB which include agents, contractors, suppliers, advisors, consultants, internal and external auditors.
- ii. Customers; and
- iii. Employees.

The diagram below depicts the due diligence process flow:



### 5.6.1 Dealing with Vendors or Agents

- a. AMB is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities by:
  - i. Adhering to the procurement policies and procedures;
  - ii. Avoiding dealing with any vendor, sub-contractors, or agents who are known or reasonably suspected of corrupt practices;
  - iii. Ensuring that all new vendors/ sub-contractors/ agents are subject to background assessment and conflict of interest check prior to registration and acceptance;
  - iv. Communicating these ABAC Policies & Procedures requirements to vendor, sub-contractors or agents;
  - v. All contracts / agreement entered with vendors, sub-contractors or agents to incorporate a provision whereby AMB retains right to audit third party compliance with these ABAC Policies & Procedures; and
  - vi. All agents are required to declare their adherence to these ABAC Policies & Procedures requirements.
- b. A Due Diligence Assessment Form shall be used in guiding AMB employees to undertake an assessment of the vendors', sub-contractors', or agents' background and reputation, including their conflict of interest. The key components of vendor/ agent due diligence procedures cover the following but may vary depending on the circumstances:

- i. Corporate profile;
  - ii. Company search via Suruhanjaya Syarikat Malaysia (“SSM”) or equivalent authorities in the respective countries of operation;
  - iii. Financial background;
  - iv. Directorship;
  - v. Past records of criminal, bribery or corruption cases; and
  - vi. Potential conflict with existing employees or Director of AMB.
- c. The results and/ or any concern raised during this due diligence assessment shall be communicated to and with approval from the respective Officers prior to entering into the relationship.

### **5.6.2 Dealing with Customers**

- a. In ensuring that AMB dealings with its customers comply with relevant rules, regulations and these ABAC Policies & Procedures requirements, the safeguard procedures below are required:
- i. All new customers are subject to background assessment and conflict of interest check prior to entering into a business dealing; and
  - ii. A standard ABAC clause shall be included in all contracts / agreement entered with customers to enable AMB to terminate the contract in the event of any proven bribery or corruption activities.
- b. A Due Diligence Assessment Form shall be used in guiding the employee of AMB to undertake an assessment of the customers’ background and reputation, including their conflict of interest. The key components of customers’ due diligence procedures cover the following but may vary depending on the circumstances:
- i. Corporate profile;
  - ii. Company search via Companies Commission of Malaysia or equivalent authorities in the respective countries of operation;
  - iii. Financial background;
  - iv. Directorship;
  - v. Past records of criminal, bribery or corruption cases; and
  - vi. Potential conflict with existing employees or Director of AMB.
- c. The results and / or any concerns raised during this due diligence assessment shall be communicated to the respective officers prior to entering into the relationship.

### **5.6.3 Dealing with Public Officials**

A public or government official includes, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises other than AMB. Caution shall be exercised when dealing with public officials. Providing gift, entertainment or corporate hospitality to public officials or their family/ household members is generally considered a ‘red flag’ situation in most jurisdictions.


AMB shall not provide non-business travel and hospitality for any government officials or his/her family/household members without permission from the CEO/MD in consultation with a lawyer.

## Appendix

Below is the example of the format for forms.

Note: This form will be updated and enhanced periodically based on evolving needs and circumstances.

### a. Vendor ABAC Declaration Form

	<b>Ajinomoto (Malaysia) Berhad Anti-Bribery &amp; Anti-Corruption Declaration Form</b>
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Anti-Bribery & Anti-Corruption Declaration Form
<p>Our company, _____ (Company Name), (which includes its Directors, officers and Employees who intend to conduct business transaction(s) with Ajinomoto (Malaysia) Berhad hereby to confirm that:</p> <ol style="list-style-type: none"> <li>a. A copy of the Anti-Bribery &amp; Anti-Corruption Policy was provided and we have read and understood the policy (A copy of the policy is available on <a href="http://www.ajinomoto.com.my">www.ajinomoto.com.my</a>). We agree and undertake to abide by all the terms and condition of the Anti-Bribery &amp; Anti-Corruption Policy at all times.</li> <li>b. We have not been convicted nor are we subject of any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected bribery or corruption activities.</li> <li>c. If we have reasonable grounds to suspect any actual or suspected breach to the Anti-Bribery &amp; Anti-Corruption Policy, we shall report such act to Ajinomoto (Malaysia) Berhad as soon as reasonably practicable.</li> <li>d. In the event that we are in breach of the Anti-Bribery &amp; Anti-Corruption Policy, Ajinomoto (Malaysia) Berhad may immediately terminate the contract / agreement entered without any liability whatsoever on the part of the Ajinomoto (Malaysia) Berhad to us. This is without prejudice to any other rights or remedies that Ajinomoto (Malaysia) Berhad may have or any other appropriate action which Ajinomoto (Malaysia) Berhad may seek under the terms of the applicable contract / agreement or the applicable rules and regulations.</li> </ol> <p>Yours sincerely,</p> <p>_____  Name of Company Director (or Equivalent):  Name of Company:  Company stamp:</p>