



## **ANTI-BRIBERY POLICY**

### **1. Introduction**

Kumpulan Fima Berhad and its subsidiaries (hereafter collectively referred to as “FIMA”) is committed to conducting its businesses lawfully, transparently and ethically.

FIMA has established this Anti-Bribery Policy (“Policy”) to set out the Group’s expectations for internal and external parties working with and for the Group in upholding the Group’s commitments and stances against bribery.

This Policy has been developed in line with, amongst others, Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Act 2009”); in particular, the Guidelines on Adequate Procedures Pursuant to Subsection (5) of Section 17A of the MACC Act 2009, as well as other international better practices.

This Policy is part of the framework that FIMA has in place for the governance of ethical conduct and in creating practical anti-bribery and corruption preventative measures throughout the Group. In conjunction with other Group policies, procedures and guidelines this Policy will also enable employees and parties working for or on behalf of the Group to identify and effectively report a potential breach.

### **2. Scope**

This Policy is generally applicable to FIMA Directors, Employees and Service Providers, unless otherwise stated in the specific policies referred to in this Policy.

This Policy shall be applicable in all countries where FIMA has business activities.

### **3. What is Bribery?**

Bribery refers to the act of corruptly giving, agreeing to give, authorising, promising, offering, soliciting, receiving, or agreeing to receive any gratification in exchange for a favour. Gratification can take various forms, including monetary, non-monetary, services, favours, or any form of benefit or advantage. It is important to note that it will be irrelevant whether the bribe was accepted or not, was given or not, merely by offering the bribe would be sufficient for an offence to be committed.

Corruption is broadly defined as “the abuse of power for personal gain”; and bribery is the most common form. For the purpose of this Policy, corruption shall be construed as any action which would be considered as an offence of giving or receiving “gratification” under the MACC Act 2009.

[See **Section 5: Definitions** of this Policy for the legal definition of “gratification”]

Bribe includes:

- giving or receiving a gratification with a corrupt intent, either as:

- an inducement to gain or provide an undue advantage; or
- a reward for having gained or provided an undue advantage;
- giving or receiving a gratification with the corrupt intent to influence the intended recipient's judgement, views, or conduct; and
- giving or receiving a gratification with a corrupt intent, including to induce or reward the improper performance of a party, or to obtain or retain a business advantage.

The MACC Act 2009 prohibits a person or a commercial organisation from giving and receiving bribes, including via its agents or associates.

[Refer to **Section 16**, **Section 17**, and **Section 17A** of the *MACC Act 2009*]

#### **4. FIMA's Anti-Bribery Stance**

- 4.1 FIMA takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, wherever it operates. It is the goal of FIMA to avoid acts which might reflect adversely upon the integrity and reputation of FIMA.
- 4.2 FIMA's commitment is embodied in this Policy which, among other things, strictly prohibits FIMA employees and others working for or acting on behalf of FIMA from directly or indirectly soliciting, accepting or offering bribes in relation to FIMA's businesses and operations.
- 4.3 FIMA upholds all laws relevant to countering bribery and remain to be bound by the laws of Malaysia, including the MACC Act 2009 and any of its amendments or re-enactments that may be made by the relevant authorities from time to time in respect of business activities conducted both in Malaysia and abroad.
- 4.4 FIMA treats any violation of this Policy seriously and will undertake necessary actions, including, but not limited to, review of employment or appointment, disciplinary actions, cessation of business/contractual relationship and reporting to the authorities, consistent with the relevant laws and regulations.

#### **5. Definitions**

The following definitions and interpretations shall apply in this Policy:

- (a) "gratification" shall have the meaning as defined in the MACC Act 2009, i.e.:
- (i) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
  - (ii) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
  - (iii) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
  - (iv) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;

- (v) any forbearance to demand any money or money's worth or valuable thing;
  - (vi) any other service or favour of any description, including protection from any 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
  - (vii) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (i) to (vi)
- (b) where this Policy refers to the act of "giving" or "paying" a bribe it also refers to actions amounting to the act of agreeing to give, promising, or offering a bribe by a person associated;
  - (c) where this Policy refers to the act of "receiving" a bribe it also refers to actions amounting to the act of soliciting or agreeing to receive a bribe by a person associated;
  - (d) "facilitation payments" shall have the definition consistent with that provided by *Transparency International*, which is: a small bribe, also called a 'facilitating', 'speed', or 'grease' payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement;
  - (e) "Directors" include all directors of FIMA and its subsidiaries;
  - (f) "Employees" include all full-time, part-time, probationary, contract and temporary employees of FIMA and its subsidiaries;
  - (g) "Person associated" refers to Director, Partner or an Employee of the Commercial Organisation (FIMA included) or he is a person who performs services for or on behalf of the Commercial Organisation;
  - (h) "Service Providers" include FIMA's contractors, sub-contractors, consultants, distributors, agent representatives, or any parties performing work or services for or on behalf of FIMA;
  - (i) "Officer of a Public Body" shall have the definition as provided in the MACC Act 2009; and
  - (j) "Foreign Public Official" shall have the definition as provided in the MACC Act 2009.

## **6. Bribing of an Officer of a Public Body or a Foreign Public Official**

The bribing of an Officer of a Public Body or a Foreign Public Official is an offence under the MACC Act 2009 and is likely to be an offence under the local laws of FIMA's countries of operations. Directors, Employees and Service Providers who has dealings with any Officer of a Public Body or Foreign Public Official shall exercise extra care to not engage, directly or through a third party, in any activity or transaction that may constitute, or perceived to constitute, an attempt to bribe an Officer of a Public Body or Foreign Public Official.

## **7. Gifts, Entertainment and Hospitality**

7.1 Directors, Employees and Service Providers are strongly discouraged from giving or receiving gifts, entertainment or hospitality with any parties with whom they have a business relationship, or intend to do business.

However, FIMA recognises that in the conduct of its business there are occasions when exchanging gifts, entertainment or hospitality may be appropriate. For example, gifts, entertainment and hospitality may be appropriate in connection with festive periods, marketing and public relations activities or to acknowledge an event. In such circumstances, Directors, Employees and Service Providers must be guided by the highest ethical standards when deciding whether giving or receiving such gifts or hospitality is appropriate. In particular, Directors, Employees and Service Providers must always ensure that any such exchanges are transparent, proportionate, reasonable and bona fide.

- 7.2 Gifts, entertainment, or hospitality must not be made or received with the intention to, or perceived to be able to, influence any business-related decisions or outcome. FIMA's business dealings, such as purchase orders, sales, and contracts, shall be conducted on the basis of business merits, such as price competitiveness, quality of goods and services, and track record.
- 7.3 Apart from a corporate gift that is FIMA's product of nominal value and a simple meal, gifts, entertainment, and hospitality shall not be given to any auditors, regulators, government department, agency, department, authority, or entities, or their officers, if:
- (i) FIMA expects to be audited by, or to apply, obtain, or renew a licence, permit, approval, or any other types of clearance from, the abovementioned entities in the coming 6 months; or
  - (ii) FIMA has applied, obtained, or renewed a licence, permit, approval, or any other types of clearance from, or an audit report on FIMA's businesses has been issued by, the abovementioned entities in the past 6 months.
- 7.4 In relation to FIMA's business activities, a non-business-related travel, which is in substance a vacation, tour, holiday, or anything to that effect, is considered a type of gift, entertainment, or hospitality that shall not be given or accepted by FIMA, its Directors or Employees.

## **8. Third-Party Travel**

Third-Party Travel refers to travelling-related expenditures, such as travel tickets, meals, or accommodations, incurred for legitimate business activities, such as an audit or factory visit, which is provided for a business counterpart by FIMA, or vice versa. Inappropriate, excessive, or unnecessary Third-Party Travel poses a bribery risk, especially when the business activity in question involves a material interest of a specific party, e.g. an audit, and shall not be provided or received.

## **9. Facilitation payments**

- 9.1 Facilitation payments include unofficial and improper payments or benefits, such as gifts or entertainment, provided to secure or expedite a routine or necessary action to which the Group is legally entitled. Facilitation payments are bribes and they could be small in value and solicited by both public and private sectors. Directors, Employees or Service Providers shall not make any facilitation payments or allow other parties to make facilitation payments on behalf of FIMA.

### **9.2 Exceptions for Facilitating Payments**

Payments are permissible when an individual is faced with a threat of, or fear of, violence or loss of liberty, e.g. when a payment must be made immediately to ensure safe passage out of a particular situation or geography. Under such situations, the Employee should make whatever payment is necessary to protect their personal safety and/or the safety of others, and then, as soon as practicable, report the amount of the payment and the circumstances giving rise to the payment in writing to his/her Head of Department/Division who must then report it to the Risk Management Committee.

Incidents need to be considered by the relevant divisional management and consideration given to efforts to reduce the risk of re-occurrence.

## **10. Donations and Sponsorships**

10.1 Charitable contributions and donations made by FIMA are philanthropic in nature and must never be made with the intention to, or perceived to be able to, influence any business-related decisions or outcome.

- (a) Donations and sponsorships shall never be made to, or for the benefit of, any specific individual, unless approved by the Board. The recipient must be a legitimate organisation and due diligence carried out to ascertain that the benefits reach the intended recipients whilst the programmes meet the intended objectives.
- (b) To avoid situations where there could be actual or perceived conflict of interest, FIMA shall not make contributions or donations to, or sponsor any events of, a regulator, government agency or department, or authority, or entities related to them if:
  - FIMA is expecting to apply, obtain, or renew a licence, permit, approval, or any other types of clearance from the said regulator, government agency, department, or authority for FIMA's business activities in the coming 6 months; or
  - FIMA has applied, obtained, or renewed a licence, permit, approval, or any other types of clearance from the said regulator, government agency, department, or authority for FIMA's business activities in the past 6 months,

*unless the contributions, donations or sponsorships relate to humanitarian causes, emergency relief or other unforeseeable incidents overwhelming the existing local resources at that particular time.*

- (c) FIMA Group has no political affiliations and it shall not make any political contribution or donations to, or sponsor any events of, political parties. Whilst Directors, Employees and Service Providers are not prohibited to make personal political contributions or donations to political parties, the said contributions or donations shall never be associated with FIMA and must always be made under their personal capacity, as the case may be.

10.2 Sponsorship and donations must be made in accordance to the approval limits set in the limits of authority determined by FIMA from time to time.

## **11. Business Rewards, Rebates, Commissions, or Other Incentives**

Doing business or establishing new business opportunities may involve the use of various promotional and marketing tools such as business rewards, rebates, discounts, or other incentives. That said, certain business rewards or incentives may be of questionable nature or worse, they may constitute a bribe formulated with the intention to obtain or retain an undue business advantage.

- (a) FIMA Group does not provide business rewards, rebates, commissions, or other incentives which are questionable in nature or are contradictory with anti-bribery laws and regulations.
- (b) Business-related incentives of FIMA must fulfil the following conditions:
  - is formally documented as part of the provider's (of the business incentive) incentive program or contract (e.g. rewards program or credit policy); and

- is applicable to all or its applicability is based on business-based parameters (e.g. applicable to all customers or applicable to customers exceeding certain order amount).

## **12. Business Dealings with Third Parties**

All FIMA's dealings with third parties must be carried out in compliance with all relevant laws and consistent with this Policy. FIMA has established internal procedures which require due diligence checks to be performed on business counterparts and partners before appointment or engagement. To further ensure that FIMA does business with Service Providers that share FIMA's standards of integrity, FIMA will:

- conduct due diligence to assess the integrity of the third parties appropriate for the type of work being carried out and the relevant geographic region;
- not enter into business dealings with any third party that is suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved;
- communicate FIMA's stance on bribery and corruption to all Service Providers at the outset of FIMA's business relationship with them;
- procure their written declaration which shall form part of the terms and conditions of their appointment and/or contract of service, that they will comply to this Policy and all laws relating to anti-bribery and anti-corruption;
- periodically monitor their performance and business practices.

Service Providers are highly encouraged to have in place adequate procedures to prevent the conduct of bribery activities in doing business, especially when performing work or service on behalf of FIMA.

## **13. Reporting and Recording**

It is important that proper and complete records and documentation of all transactions made by FIMA and its Service Providers be maintained as these would serve as evidence that the transactions made were bona fide, and were not made with a corrupt or unethical intent.

All accounts, invoices, documents, and records shall be prepared and maintained with accuracy and completeness.

## **14. Review and Monitoring**

14.1 FIMA recognises that managing an anti-bribery and corruption programme is a continuous process and a systematic review and monitoring process is necessary to ensure its objectives are being met. The Audit & Risk Committee will be responsible for reviewing the effectiveness and compliance to this Policy. The reviews may take the form of internal audits carried out by Group Internal Audit Department ("GIA") or independent reviews carried out by an external party, where necessary.

14.2 A review of the anti-bribery and corruption programme shall be included in GIA's Audit Plan on a yearly basis. The scope of the review should include evaluations of the design, effectiveness and compliance and provide recommendations for improvements, where required to ensure that the programme and policy remain relevant and adequate.

## **15. Reporting of Violations of the Policy**

15.1 FIMA encourages all Directors, Employees and Service Providers to act as its first line of defence by raising their concerns when they become aware of or suspect a violation or potential violation of this Policy.

Any concerns pertaining to alleged or suspected improper conduct should be reported in accordance with the procedures provided for in **FIMA's Whistleblowing Policy** which is available via FIMA's website [www.fima.com.my](http://www.fima.com.my).

- 15.2 All concerns raised will be treated with utmost confidentiality and appropriately investigated. Any violation of this Policy will be dealt with seriously by FIMA and may lead to, but not limited to, review of contracts, employment, or appointment, disciplinary actions, dismissal, cessation of business/contractual relationship, and/or reporting to the authorities, consistent with relevant laws and regulations.
- 15.3 No individual will be discriminated against or suffer any sort of retaliation for raising genuine concerns or reporting in good faith on violations, potential violations, or suspected violations of this Policy.

## **16. Training and Communication**

- 16.1 Adequate training and compliance programs for all Directors, Employees and Service Providers should be conducted to ensure understanding and strict compliance to FIMA's anti-bribery measures, and to continuously promulgate integrity and ethics. Training on this Policy forms part of the induction process for all new Employees. In addition, all Employees will be required to confirm that they have understood and complied with this Policy annually.
- 16.2 FIMA's stance on bribery and corruption must be communicated to all Service Providers at the outset of FIMA's business relationship with them and as appropriate thereafter.

### **Review of this Policy**

This Policy is approved by the Board of Directors of Kumpulan Fima Berhad on 4 May 2020 and oversight of this Policy has been delegated to the Audit & Risk Committee.

This Policy may be reviewed periodically by FIMA and may be amended from time-to-time and at least once in three years.