

RCL Agencies (M) Sdn Bhd

ANTI – BRIBERY & CORRUPTION POLICY

This Anti-Bribery & Corruption Policy is in accordance with Section 17A of the **Malaysian Anti-Corruption Commission (“MACC”) (Amendment) Act 2018**. The Policy was approved and adopted by the Board on 31 January 2022.

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1. INTRODUCTION & PURPOSE

RCL Agencies (M) Sdn Bhd including its affiliates and/or associates (collectively referred to as “RCM”, “Company”, “we”, “us” or “our”) are committed to conducting its business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the RCM daily operations.

The purpose of this **Anti-Bribery & Corruption Policy** (hereinafter referred to as the “**Policy**”) is to provide guidance to Directors of RCM (hereinafter referred to as “**Directors**”), and Employees (including probationary, contract, permanent, project, temporary employees) (hereinafter referred to as “**Employees**”) concerning how to deal with bribery and corruption and related issues that may arise in the course of business. It reiterates RCM commitment to ensure full compliance by its Directors and Employees with the Malaysian Anti-Corruption Commission (MACC) Act 2009 and the MACC (Amendment) Act 2018 and any other local anti-bribery or anti-corruption laws that may be applicable. This Policy complements and must be read in conjunction with our Code of Ethics and Conduct and our Whistleblowing Policy.

New enforcement under Section 17A (1) of the MACC (Amendment) Act 2018 effective June 2020, states that a commercial organization commits an offence if a person associated with the commercial organization (such as its directors or employees) corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefits of that person or another person with intent –

1. To obtain or retain business for the commercial organization; or
2. To obtain or retain an advantage in the conduct of business for the commercial organization.

The penalty for an offence under Section 17A (1) is a fine of not less than 10 times the sum or value of the gratification or RM1,000,000.00 whichever is the higher, or to imprisonment for a term not exceeding 20 years or to both. If a commercial organization is charged for an offence under Section 17A (1), under Section 17 (4), it is a defence for the commercial organization to prove that it had in place adequate procedures to prevent persons associated with the commercial organization from undertaking such conduct.

Directors, Employees and any other person or persons associated with RCM (including third parties) have a duty to: -

- Read and understand the Policy in order to be familiar with the applicable requirements and directives as per this document.
- Raise and report suspicious transactions, violations or suspected violations of policy to line managers or HOD. If notifying the line managers or HOD is not possible or inappropriate for any reason, or not in the best interest of the Company, Directors and Employees can raise the concerns via RCM’s Whistleblowing Policy.

The scenarios provided within this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances relating to bribery and corruption. The Policy leverages on the values and core principles set out in our Code of Ethics and Conduct. Full compliance to both the spirit and the letter of this Policy is mandatory and must be maintained using a principle-based approach.

2. SCOPE

This Policy applies to all Directors, Employees and any other person or persons associated with RCM (including third parties). In the context of this Policy, third-party refers to any individual or organization RCM meets and works with. It refers to actual or potential clients, advisers, business associates, joint venture partners, agents, vendors, suppliers, distributors, contractors, consultants, customers, government and public bodies and any other third-party service providers or persons who perform services for or on behalf of the company – this includes their advisers, representatives and officials, politicians and public parties.

Any arrangements RCM makes with a third party is subjected to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti-bribery and corruption.

3. DEFINITIONS

Bribery	Any act of offering, receiving or soliciting something of value or gratification (including payment of cash, gifts, excessive entertainment or an inducement of any kind) in an attempt to illicitly influence the decisions or actions of a person in a position of trust within an organization. Definition of “Gratification” is based on the definition in Malaysian Anti-Corruption Commission (MACC) 2009.
Corruption	Abuse of entrusted power for private gain.
“Contractor” or “third party service provider”	Entity or individual who provides, and receives payment for, services or goods related to any aspect of RCM operations and includes subcontractors.
Conflict of interest	Directors or Employees’ outside or private interests, relationships or activities that interfere or appear to interfere with the fairness / integrity of the Company’s business dealings. Conflict of interest can occur in both direct and indirect situations.
Directors	Directors include all independent and non-independent directors, executive and non-executive directors of the Company and shall also include alternate or substitute directors.
Management	Management includes Location Head of Malaysia and all Heads of Department reporting to the Location Head.
Employees	All employees of the Company including probationary, contract, permanent, project, and temporary employees.
Family Members	Includes spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.

Entertainment / Hospitality Expenses	Meals, drinks, lodging, travel or other expenses given to or received from people who have or who may have facilitated the creation of a business relationship with RCM. This includes expenses incurred by / for a prospective client, customer or business partner. Expenses can be a legitimate contribution to achieving a business outcome and also includes attendance at social, cultural or sporting events.
Gifts	Monies, vouchers, hampers, goods or services, which, if given appropriately, are a mark of friendship or appreciation. Gifts must be given without expectation of consideration or value in return.
Money Laundering	Process of introducing money, property or other assets derived from illegal and criminal activities into the legal financial and business cycle to give it a legitimate appearance. It is a process to clean 'dirty' money in order to disguise its criminal origin.
Public Officials	Includes officers to Public Bodies, candidates for public office, officials of any political parties and officials of any state-owned enterprises.
Third Party	Actual or potential clients, advisers, business associates, joint venture partners, agents, vendors, suppliers, distributors, contractors, consultants, customers, government and public bodies and any other third-party service providers or persons who perform services for or on behalf of the Company.

4. POLICY STATEMENT

RCM is committed to acting professionally, fairly and with integrity in all business dealings and relationships. We are committed to: -

- Conduct business in an ethical and honest manner;
- Implement and enforce systems that ensure bribery and corruption is prevented; and
- Take all necessary measures to ensure that our businesses do not participate in corrupt activities and to implement adequate procedures effectively to comply with the provisions of MACC Act 2009 and Section 17A of the MACC (Amendment) Act 2018.

Bribery is a crime and penalties can be severe including prison sentences and large financial penalties. Depending on the circumstances, these penalties can be applied to a company and its Employees and third parties or a combination of any of them. All Directors and Employees are reminded that he/she will be subject to stern disciplinary action, including dismissal as well as civil and criminal liability, if he/she is found in violation of this policy.

5. GIFTS, HOSPITALITY AND ENTERTAINMENT

RCM accepts normal and appropriate gestures of hospitality and goodwill (whether given to / received from third parties) so long as the giving or receiving of gifts / hospitality / entertainment meets the following requirements and approved by the Management:-

- i. It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits;
- ii. It is not made with the suggestion that a return favour is expected;
- iii. It is in compliance with local law;
- iv. It is given / received in the name of the company, not in an individual's name;
- v. It is appropriate for the circumstances (e.g. giving / receiving a small thank you gift for helping with a large project upon completion);
- vi. It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift;
- vii. It is given / received openly, not secretly;
- viii. It is not selectively given to a key, influential person, clearly with the intention of directly influencing them;
- ix. It is not lavish and above a certain excessive value, as pre-determined by Management;
- x. It is not offered to, or accepted from, a government official or representative or politician or political party, without the prior approval of Management; and
- xi. It is inappropriate to decline the offer of a gift (i.e. when meeting with an individual of a certain religion / culture who may take offence), the gift may be accepted so long as it is declared and approved by Management.

RCM recognises the practice of giving and receiving business gift varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each.

Some examples of acceptable gifts / hospitality / entertainment are as follows: -

- i. Token gifts offered in business situations or to all participants and attendees, for example, work related seminars, conferences, trade and business events;
- ii. Gifts presented at work-related conferences, seminars and/or business events;
- iii. Gifts given in gratitude for hosting business events, conferences and/or seminars;
- iv. Refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
- v. Meals for business purposes.

As a general principle, Directors and Employees should not accept or give any gifts / hospitality / entertainment to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits.

Directors and Employees are prohibited from receiving or soliciting overseas incentive trips (excluding factory visits) paid by vendors or any third parties.

6. CORPORATE RESPONSIBILITY, SPONSORSHIP AND DONATION

Corporate responsibility / sponsorship / donation contribution is acceptable (and indeed are encouraged), whether of in-kind services, knowledge, time, or direct financial contributions. However, Directors and Employees must be careful to ensure that such contributions are not used as a scheme to conceal bribery. No such contribution can be offered or made without the prior approval of Management.

The records of all corporate responsibility / sponsorship / donation contribution shall be kept by the Company's Finance & Accounts.

Generally, all corporate responsibility / sponsorship / donation contribution must comply with the following:

- i. Ensure such contributions are allowed by applicable laws;
- ii. Obtain the necessary authorization from the Management;
- iii. Made to established entities, after due diligence has been conducted, to guarantee proper administration of the funds;
- iv. Accurately stated in RCM accounting books and records; and
- v. Not to be used as a means to cover up an illegal payment or bribery.

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

- The contribution is made on behalf of a Public Official;
- The proposed recipient has affiliations with a Public Official or their relatives are involved;
- There is a risk of a perceived improper advantage for RCM.

7. POLITICAL CONTRIBUTIONS

No political contributions are permitted to be made, directly or indirectly, to any political candidate or any political party except where such contributions are not prohibited by law and express permission has been given by the Risk Management Committee.

The records of all political contributions shall be kept by the Risk Management Department.

8. PURCHASING AND PROCUREMENT PRACTICES

Directors and Employees are responsible to ensure RCM purchase of required materials, supplies, equipment and sub-contract services are procured at the most favourable and competitive terms as according to the standards stated in FIN-FM-005 Capitalisation of Capital Expenditure.

Directors and Employees must avoid soliciting illegal purchase and procurement practices and be cautious of involvement in any bribery or corrupt act.

9. FACILITATION PAYMENTS

Facilitation payment is a payment made with the intention to secure or expedite the performance of a routine or an administrative process. Employees and Business Associates acting on behalf of RCM shall not promise or offer, or agree to give or offer, or make, directly or indirectly, any facilitation payments to any person including Public Officials.

10. RECRUITMENT OF EMPLOYEES

The recruitment of Directors and Employees will be based on approved selection criteria to ensure that only the most qualified and suitable individuals based on qualifications, performance, skills and experience are employed. This is also crucial to ensure that no element of corruption is involved in the hiring of employees.

Family members of Directors and Employees may be hired as employees of RCM only if the appointment is based on qualifications, performance, skills and experience. There should be no direct reporting relationship between the Director or Employee and his or her family member. Approval from Board of Directors is required if any Director's family members being recruited at Director level and has any reporting relationship between the Director and his/her family members.

In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.

11. MONEY LAUNDERING

RCM strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities. All Directors and Employees must avoid violating RCM anti-money laundering policy and existing anti-money laundering laws in the country, at all cost.

Directors and Employees are expected to conduct reasonable due diligence on clients and third parties to understand their business background and to determine the origin and destination of money, property and services.

12. DEALINGS WITH THIRD PARTIES AND PUBLIC OFFICIALS

RCM dealings with third parties and Public Officials must be carried out in compliance with all relevant laws and consistent with the values and principles set out in RCM Code of Conduct and in this Policy. As part of this commitment, all forms of bribery and corruption are unacceptable and must be avoided.

All third parties, including agents, suppliers, joint venture partners, contractors, consultants and Public Officials must be made aware of this policy and the principles in RCM Code of Conduct by the respective Head of Department (hereinafter referred to as "HOD") and the arrangements with them shall be subjected to clear contractual terms, including specific provisions therein requiring them to comply with minimum standards and procedures relating to bribery and corruption.

To ensure that we build a safe and healthy business relationships with third parties and Public officials, all Directors and Employees shall conduct reasonable due diligence, where practical and relevant, to assess the integrity of RCM prospective business counterparties. Directors and Employees are not allowed to enter into any business dealings with any third party or Public Officials reasonably suspected of engaging in bribery and improper business practices.

13. RAISING A CONCERN OR REPORTING A VIOLATION

13.1 REPORTING

We are committed to provide an avenue for all Directors, Personnel and members of the public to raise concerns about any suspected and / or known improper conduct that they may observe occurring without fear of reprisal.

We have formulated a Whistleblowing Policy, which provides channels for secure reporting. You may lodge an anonymous report and all reported concerns will be treated confidentially and are kept protected against any unauthorized use and access.

You may direct your report to our Management by:-

- Email (malaysiahead@rclgroup.com)
- Written letters to: RCL Agencies (M) Sdn Bhd, Suite 6.02, Level 6, IMS 2, 11 Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor.
Attention to: Country Head.

Further details on whistleblowing are elaborated in the Whistleblowing Policy as published on our website at <https://www.rclgroup.com/LocalInfo-WhistleBlowerPKG/Malaysia>

The whistleblowing avenue is intended to be used as an ultimate remedy i.e. if no other means are available to address the concern. However, malicious and false allegations will be viewed seriously and treated as a gross misconduct and if proven, may lead to dismissal. Making a false report may result in the reporting individual being held personally liable for damages by anyone who may have been affected by the false disclosure.

13.2 PROTECTION

If the Director or Employee encounters any form of bribery or corruption, he / she has a duty to disclose or report such acts to the Company. For concerns that are raised in good faith i.e. with no malicious intentions, the Company will protect the Director or Employee against detrimental action i.e. against retaliation, punishment and/or unfair treatment (including intimidation, harassment, discrimination, demotion and termination of employment) from his /her superior, head of department/division and other employees as a result of the disclosure.

14. TRAINING AND COMMUNICATION

RCM will clearly communicate this policy and procedures to all Directors, Employees and persons associated with the Company (including third parties). They will be asked to formally accept to comply with this policy/manual.

Adequate training on RCM's anti-bribery and anti-corruption approach shall be provided to all Directors and Employees.

15. COMPLIANCE WITH THE POLICY

RCM shall conduct regular validation to ensure compliance to this Policy. Such validation exercises may be conducted either independently by RCM External Audit or in collaboration with other relevant departments, and/or conducted by external consultants.

RCM regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event that RCM interests have been harmed as a result of noncompliance.

RCM shall also notify the relevant regulatory authority of any identified bribery or corruption incidents, if it deems necessary or appropriate. Where notification to the relevant regulatory authorities have been done, RCM shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Directors and Employees.

16. RESPONSIBILITY FOR THE POLICY

This Policy is reviewed and approved by the Board of Directors of RCL Agencies (M) Sdn Bhd and oversight of this Policy has been delegated to the Risk Management Committee which monitors the effectiveness of and compliance with this Policy. All Directors, Employees and persons associated with RCM (including third parties) are responsible for understanding and complying with this Policy including prevention, detection, and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this anti-bribery and corruption policy. RCM reserves the right to terminate a contractual relationship with a Director, an Employee or persons associated with RCM (including third parties) if they breach this policy.

17. RECORD KEEPING

RCM will keep detailed and accurate financial records, and will have appropriate internal controls in place to act as evidence for all payments made. We will declare and keep a written record of the amount and reason for hospitality or gifts accepted and given and understand that gifts are subjected to Management's review and approval.

18. MONITORING AND AUDITING

RCM Risk Management Committee is responsible for monitoring the effectiveness of this policy and will review the implementation of it on a regular basis. They will assess its suitability, adequacy, and effectiveness.

Any need for improvements will be applied as soon as possible. Directors, Employees and persons associated with RCM (including third parties) are encouraged to offer their feedback on this policy if they have any suggestions for how it may be improved. Feedback of this nature must be addressed to the Risk Management Committee.

19. WAIVER

Any deviation or waiver from this Policy must be approved by the Board of Directors.

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