

GFM SERVICES BERHAD
(Company No. 1033141-H)

BOARD PAPER

2/2020 BOARD OF DIRECTORS' MEETING

GFM SERVICES BERHAD
ANTI-BRIBERY AND CORRUPTION POLICY

1. OBJECTIVE

The objective of this paper is to seek the Board of Directors' approval on the adoption of the GFM Anti-Bribery and Corruption Policy ("ABC Policy").

2. OTHER INFORMATION

GFM does not tolerate any forms of bribery and corruption. In line with this commitment, GFM has developed this Anti-Bribery and Corruption Policy ("ABC Policy") shall be read in conjunction with the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") and the Prime Minister's Department Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the MACC Act, All applicable laws and regulations, GFM Code of Conduct and Ethics ("Code"), GFM Whistle-blowing Policy, GFM Delegated Authority Limits ("DAL") and other relevant existing or future policies, operations manuals and/or directives or communication issued by GFM from time to time. The Policy shall be applicable to Directors of GFM and its subsidiaries, GFM employees, including permanent, temporary, contract and part-time employees (collectively referred to as "employees") and interns as well as third parties performing work or services for or on behalf of GFMM shall comply with this policy.

3. RECOMMENDATION

The Board is requested to consider and approve the adoption of the GFM Anti Bribery and Corruption Policy.

Prepared by:



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11/05/2020

GFM SERVICES BERHAD

ANTI-BRIBERY AND CORRUPTION POLICY

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1. INTRODUCTION

GFM Services Berhad and its subsidiaries (“GFM”) are committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the company’s daily operations.

GFM has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts.

Compliance to the Anti-Bribery & Corruption Policy (“ABC Policy” or “the Policy”) is mandatory and will be monitored with a principle-based approach.

2. BACKGROUND

This Policy is issued pursuant to sub-section (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“Amendment Act 2018”).

The nature of GFM’s business requires its Employees to engage in business with a wide range of parties, both internal as well as external. Employees shall uphold a high level of personal and professional values in all business interactions and decisions. This Policy establishes the boundaries on interactions with all parties.

This Policy shall be read in conjunction with:

1. BPM 1.1 Business Ethics
2. BPM 12.1.1 Tender Guidelines
3. BPM 16.1 Whistle-blower Policy
4. BPM 21.1 Code of Ethics
5. BPM 22.1 Code of Conduct
6. BPM 23.1 Gifts and Hospitality Policy and Guidelines
7. BPM 24.1 Investor Relations and Communications Policy
8. GFM’s Employee Booklet

3. SCOPE

This policy applies to all Directors and Employees of GFM.

4. DEFINITIONS

The following definitions are included in this policy.

4.1 Bribery

Bribery is defined as any action which would be considered as an offence of giving or receiving 'gratification' under MACCA.

In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organisation.

'Gratification' is defined in the MACCA to mean the following:

- (a) 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;
- (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- (e) any forbearance to demand any money or money's worth or valuable thing;
- (f) 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
- (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

Bribery may be 'outbound', where someone acting on behalf of GFM attempts to influence the actions of someone external, such as a Government official or client decision-maker.

It may also be 'inbound', where an external party is attempting to influence someone within GFM such as a decision-maker or someone with access to confidential information. Bribery and corruption are closely related. However, corruption has a wider remit. See 'Corruption' definition below.

4.2 Business Associate

An external party with whom the organisation has, or plans to establish, some form of business relationship. This primarily include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

4.3 Corruption

The Transparency International definition of corruption is 'the abuse of entrusted power for personal gain.

For the purpose of this policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (MACCA) ('Bribery' as defined above).

In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

4.4 Conflict of interest

When a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making of GFM.

4.5 Donations and Sponsorship

Charitable contributions and sponsorship payment made to support the community.

4.6 Directors

Directors include all independent and non-independent directors, executive and non-executive directors of GFM and shall also include alternate or substitute directors.

4.7 GCEO means Group Chief Executive Officer of GFM.

4.8 Employee

All individuals directly contracted to GFM on an employment basis, including permanent and temporary Employees and Directors.

4.9 Exposed Position

A staff position identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited to any role involving procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the company has identified as vulnerable to bribery.

4.10 Facilitation payment and Kickbacks

A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function. Kickbacks are typically payments made in return for a business favour or advantage and can include discounts or other types of cash incentives.

4.11 GFM means GFM Services Berhad and its group of companies.

4.12 Corporate Gift

Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the company's brand.

The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the company name and logo and are of nominal value. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates.

4.13 Personal Gift

Something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties.

Personal gifts may include cash, cash equivalents such as credit cards, bitcoin or savings accounts, electronic items, watches, luxury pens, property, vehicles, free fares, shares, interest free loans, lottery tickets, travel facilities, entertainment, services, club memberships, any forms of discount or commission, jewellery, decorations, souvenirs, vouchers or any other valuable items.

4.14 Hospitality

Hospitality means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as Company offices, with or without the personal presence of the host.

Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included.

4.15 MACCA define as Malaysian Anti-Corruption Commission Act 2009

5. ANTI-BRIBERY CORRUPTION POLICY

General guidelines associated to this Policy:

5.1 Zero-tolerance: GFM upholds a zero-tolerance approach, therefore, all forms of bribery and corruption is prohibited.

In addition to bribery, Employees must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

5.2 Forms of Bribery: Bribery may take the form exchange of money, goods, services, property, privilege, employment position or preferential treatment.

Employees shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit GFM or the persons involved in the transaction.

5.3 Integrity First: GFM recognises the value of integrity in its Employees and Directors.

GFM's recruitment, training, performance evaluation, remuneration, recognition and promotion for all Employees, shall be designed to recognise integrity.

GFM shall conduct due diligence on Employees who holds or may be holding, Exposed Positions.

No Employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the company losing business or experiencing a delay in business operations.

5.4 Merit-Based: GFM's awards contracts and employment purely based on merits.

Usage of support letters in any form shall not be recognised as part of the business decision making process.

5.5 Compliance to laws and regulations: All Employees of the GFM and its associates are responsible in ensuring that they always comply with all laws and regulations, in particular, to the Malaysian Anti-Corruption Commission Act 2009.

No excuses or exceptions will be acceptable for non-compliance of any domiciled laws and regulations where the GFM conducts its businesses.

6. VIOLATION OF THE ABC POLICY

6.1 Any violation of the ABC Policy by Employees of the GFM will attract serious repercussions and disciplinary action after due inquiry.

6.2 Employees who are found to have assisted or facilitated the violation of the ABC Policy, whether actively or by way of negligence or omission, will also be deemed to have violated the ABC Policy and committed a misconduct.

6.3 Actions by GFM may include:

- a) Dismissal
- b) Legal action by GFM
- c) GFM filing a police report
- d) GFM filing a report to MACC

7 GIFTS, HOSPITALITY AND ENTERTAINMENT

Please refer to GFM's Gifts and Hospitality Policy and Guidelines (BPM 23.1)

8 REPORTING FOR VIOLATIONS OF POLICY & WHISTLEBLOWER RIGHTS

Please refer to GFM's Whistle-Blower Policy (BPM 16.1)

9 FACILITATION PAYMENTS AND KICKBACKS

9.1 GFM does not make facilitation payments or "kickbacks" of any kind.

9.2 Facilitation payments are typically small, unofficial payments made to secure or expedite a routine business transaction by a counter party agent, employee or official (such as the issuance of work orders, approval of inspections, expediting payments etc.).

Kickbacks are typically payments made in return for a business favour or advantage and can include discounts or other types of cash incentives.

9.3 As guidance, any suspicions, concerns or queries regarding a payment should be raised with the immediate superior or head of department.

10 PUBLIC OFFICIALS & GOVERNMENT DEALINGS

10.1 When dealing with public officials, Employees of GFM should ensure that any giving or receiving of gifts do not relate to, in any form whatsoever, the public official's official dealings or public duty.

10.2 Any hospitality of public officials, subject to the approval of GCEO, are for circumstances where it is to reasonably facilitate genuine promotional, business or educational meetings.

10.3 Any hospitality provided must be without expectation of any influence exerted on the public official in exchange for any commercial outcome, and should always be at a reasonable and modest value.

11 DONATIONS, SPONSORSHIPS & CHARITABLE CONTRIBUTIONS

- 11.1 Any donations, sponsorships and charitable contributions by GFM must be done with the approval of the GCEO and it must be done in a transparent manner for social and moral responsibility.
- 11.2 Donations should never be paid in exchange for any business implications (e.g. obtain a business, or to obtain some form of advantage) to GFM.
- 11.3 Donations made in a private capacity of an Employee should never be in exchange for any improper purposes that affects the business of the GFM.

12 POLITICAL DONATIONS

Political donation is prohibited.

13 TENDER PROCESS

Please refer to GFM's Tender Guidelines (BPM 12.1.1)

14 BUSINESS ASSOCIATES, THIRD PARTIES & AGENCIES

- 14.1 This section covers, but not limited, to the following:
- a) agents
 - b) consultants/advisors
 - c) contractors/subcontractors
 - d) business contacts
 - e) professional advisor
 - f) joint venture partners
 - g) vendors/parties supplying goods and services
- 14.2 These parties are to made aware of GFM's ABC Policy, that shall be posted at GFM's website.
- 14.3 Compliance to GFM's ABC Policy shall be made compulsory to these parties, as part of their acceptance to deal, be associated or wishing to represent GFM.

GFM is to highlight the need to comply with its ABC Policy when engaging with these parties.

A clause to stipulate this shall be incorporated in all of GFM's agreement or service/supply contract with these parties.

14.4 GFM shall include standard clauses in all contracts with these parties, enabling GFM to terminate the contract in the event that bribery or an act of corruption has been proven to occur.

14.5 Where reimbursements or payments are to be paid to these parties, :

- a) the Employee submitting and recommending the reimbursement or payment shall be the first line of defence
- b) the Employee approving the reimbursement or payment shall be the second line of defence
- c) the Employee processing the reimbursement or payment shall be the third line of defence

in ensuring that such reimbursement or payment made are for a proper transaction and not for reimbursements that can be tied to giving any form of gratification for improper purposes.

15 CONFLICTS OF INTEREST

Please refer to GFM's Employee Handbook - Code of Conduct

16 RECRUITMENT, PROMOTION AND SUPPORT OF EMPLOYEEES

16.1 GFM's recruitment, training, performance evaluation, remuneration, recognition and promotion for all GFM Employees, including management, shall be designed and regularly updated to recognize integrity.

16.2 A Nomination and Remuneration Committee ("NRC") was formed by GFM's Board of Directors to oversee this. In addition, Policies and Procedures on this matter is documented in GFM's Employee Handbook.

17 DECLARATION, COMPLIANCE AND REVIEW OF THE POLICY

17.1 All Employees shall declare in writing that they have read, understood and will abide by this Policy.

A copy of this declaration shall be documented and retained by the Culture and Talent Department.

Sample Declaration Form can be found in the Appendix of this Policy.

17.2 Where there is any uncertainty for any practices which relate to the ABC Policy, Employees must seek the advice of their supervisor or Head of Department. Where there is still uncertainty, they should direct their concerns to the Corporate Governance Department, Culture and Talent Department or Legal Department.

17.3 The ABC Policy will be reviewed at least once every three years to ensure that it continues to remain relevant, appropriate and effective.

End of Policy

APPENDIX 1

STAFF DECLARATION FORM – ACKNOWLEDGEMENT OF ANTI-BRIBERY AND CORRUPTION POLICY

I, _____, hereby declare that I have read and understood GFM's Anti-Bribery and Corruption Policy ("Policy") and the responsibilities required of me in relation to the said Policy.

I will abide by the requirements and provisions set out in the said Policy which shall be read together and forms part of my employment contract with GFM.

I agree to GFM's a zero-tolerance approach to bribery and corruption and the possible actions of:

- a) Dismissal
- b) Legal action by GFM
- c) GFM filing a police report
- d) GFM filing a report to MACC

that may be taken against me for the breach of this policy.

I also understand that to have assisted or facilitated the violation of this ABC Policy, whether actively or by way of negligence or omission, will also be deemed to have violated the ABC Policy and may be liable for the actions stated above.

.....

Name :

NRIC :

Designation :

Date:

APPENDIX 2

**FOR NOTIFICATION: CORRUPTION AND GIFT DECLARATION
STAFF DECLARATION FORM – CORRUPTION AND GIFT**

This declaration shall be disseminated by the Corporate Governance Department twice a year (January and July) via an on-line platform. Compilation and analysis shall be reported to the Audit & Risk Management Committee).

I, _____, hereby declare that between

- 1 January to 30 June _____ (year)
- 1 July to 31 December _____(year)

- a) I have read and understood in GFM’s Anti-Bribery and Corruption Policy (“ABC Policy”) and Employee Handbook
- b) I am in compliance to requirements and obligations described in GFM’s ABC Policy and Employee Handbook.
- c) I have not been involved been involved with any corrupted practices as prescribed in GFM’s ABC Policy and Employee Handbook.
- d) I have not witnessed, withheld or failed to report any information on corrupted practices as prescribed in GFM’s ABC Policy and Employee Handbook.
- e) I have not received any form of gift or hospitality that contravenes GFM’s Gifts and Hospitality Policy and Guidelines (“Gift Policy”)
- f) My immediate family members have not received any form of gift or hospitality that contravenes GFM’s Gift Policy.
- g) I have declared any gift or hospitality to the Gift Declaration Form.
- h) I understand GFM’s a zero-tolerance approach to bribery and corruption and the possible actions of:
 - 1. Dismissal
 - 2. Legal action by GFM
 - 3. GFM filing a police report
 - 4. GFM filing a report to MACC
 that may be taken against me for wrongful declaration and/or breach of the abovementioned policies.

.....
 Name:
 NRIC:
 Designation:
 Date: