



SARAWAK METRO SDN BHD

CORPORATE OFFICE
LEGAL AND COMPANY SECRETARIAL

POLICY
Anti-Bribery and Corruption Policies

1. PURPOSE

This Anti-Bribery and Corruption Policies (“ABC Policy”) serve as a guideline for SMSB to deal with gratification by way of improper solicitation, bribery and other corrupt activities, receiving and providing gifts, giving and receiving entertainment, corporate hospitality, facilitation payment, corporate social responsibility, sponsorships, donations and matters that may arise in the course of its business.

2. SCOPE

1. This ABC Policy is formulated in accordance to with the requirements under Clause 1.6 of Sarawak Economic Development Corporation’s Anti-Bribery and Corruption Policy.
2. This ABC Policy shall apply to all Board Member and Employee of SMSB subject to the exception stated in this ABC Policy.
3. All associated persons such as contractors, subcontractors, consultants, agents, representatives who are performing works and services for or on behalf of SMSB and any other third parties who are doing business with SMSB are required to comply with this ABC Policy in its relevant part when performing such works or services.
4. This ABC Policy will supersede any other existing policies (if any) relating to corruption and bribery. Should this Policy in conflict with any laws on corruption and bribery, the said laws shall prevail to the extent of the inconsistency.

3. ABBREVIATIONS AND DEFINITIONS

ABBREVIATIONS	DEFINITIONS
Associated Person	Directors, partners and Employee of the commercial organisation; and any person who perform works or services for or on behalf of SMSB
ABC Policy	Anti-Bribery and Corruption Policies
Board Member	Member of the Board of Directors of SMSB
Children	Shall also include stepchildren and legitimate adopted children
Employee	Any person, irrespective of his occupation, who has entered into contract of service with SMSB
Family Member	Husband or wife/wives, father, mother, brother, sister, grandfather, grandmother, father and mother in-law and legitimate children of the employee.
Gratification	As per Section 3 of Malaysian Anti-Corruption Commission Act (MACC) Act 2009 means: (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;

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	<p>(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</p> <p>(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).</p>
Public Official	Any person holding, acting in or exercising the functions of a public office.
Third Party(ies)	Any individual or organisation that an employee or associates can come into contact during the course of his/her work or engagement for or with SMSB including but not limited to, the existing or potential customers, suppliers, consultants, agents and its representatives, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.
SMSB	Sarawak Metro Sdn Bhd

4. POLICY STATEMENT

1. SMSB is committed to comply with all regulatory conditions and anti-corruption standard requirement by:
 - a) Creating a corruption-free business environment and zero tolerance towards corruption.
 - b) Complying with laws, regulations and guidelines against corruption practices.
 - c) Upholding anti-corruption principles in all business dealings and interactions with external parties, including business associates, government agencies and stakeholders.
 - d) Encouraging staff and public to report any suspicious corruption activities by providing suitable channel of communication and ensuring information is treated appropriately.
 - e) Upholding the values of transparency and good governance within the organisation.
 - f) Establishing an independent body to be responsible for anti-corruption compliance of SMSB.

5. NO GIFT POLICY

1. It is the responsibility of each Board Member and Employee to inform the third parties who are involved in any business dealings with SMSB of this “No Gift Policy” and to request the third parties’ understanding and adherence with this ABC Policy.
2. Save for exception stated in sub-clause 3 below, generally Board Member and Employee are not allowed to provide gifts to third parties unless with the exception of written authorisation supported with a proper justification.
3. Although generally SMSB practices a “No Gift Policy,” there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:
 - a) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company’s visit/courtesy call and thereafter the said gift is treated as Company’s property); or

- b) Gifts from SMSB to external institutions or individuals in relation to SMSB's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event); or
 - c) Gifts from SMSB to its Board Member and/or Employee and/or their family member in relation to an internal or externally recognised company's function, event and celebration (e.g. in recognition of Board Member's/Employee's service to SMSB); or
 - d) Token gifts of nominal value normally bearing SMSB's logo (e.g. face masks, t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to member of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the SMSB's brand building or promotional activities; and
 - e) Gifts to third parties who have no business dealings with SMSB (e.g. monetary gifts or gifts in-kind to charitable organisations).
4. Even in the above exceptional circumstances, Board Member and Employee are expected to:
- a) Exercise proper care and judgment in handling gift activities;
 - b) Conscientiously maintain highest degree of integrity;
 - c) Avoid any conflict of interest;
 - d) Refrain from taking advantage of position or exercising authority to further own personal interest at the expense of SMSB; and
 - e) Comply with all applicable laws, rules, regulations and SMSB's policies and procedures.

6. ENTERTAINMENT

1. Board Member and Employee should always exercise proper care and judgement when providing entertainment to third parties to ensure compliance with the Malaysian Anti-Bribery and Corruption laws and other applicable governing legislations.
2. Board Member and Employee are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result.
3. SMSB recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.
4. However, it is important for Board Member and Employee to exercise due care and proper judgement before accepting entertainment offered or provided by a third party. This is not only to safeguard SMSB's reputation, but also to protect Board Member and Employee from allegations of impropriety or undue influence.

7. CORPORATE HOSPITALITY

1. Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate against illegitimate forms of corporate hospitality. Board Member and Employee must evaluate whether there

is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.

2. Corporate hospitality would be illegitimate in the following situations:
 - (a) If it provides an advantage to another person if offered; or
 - (b) If it is given with the intention of inducing the person to perform a relevant function improperly;
or
 - (c) If there is knowledge that acceptance of the advantage would in itself be improper performance.
3. Corporate hospitality arrangements/activities should conform to the following basic principles:
 - (a) Transparency, in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept;
 - (b) Proportionality i.e. the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient's official capacity and not provided in his/her personal capacity;
 - (c) Reasonableness in ensuring that the corporate hospitality is not lavish; and
 - (d) Bona fide, where the intention to offer and/or provide the corporate hospitality is done with good and legal intention.

8. DEALING WITH PUBLIC OFFICIALS

1. Board Member and Employee of SMSB must exercise caution when dealing with public officials including foreign public officials. Generally, SMSB does not make any contributions to public officials except in accordance with the prescribed law and with written approval or authorisation. In the event approval has been obtained for providing gift or entertainment or corporate hospitality to any public officials or foreign public officials, one must ensure that the gift or entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR), SPONSORSHIPS AND DONATIONS

1. SMSB is committed to cultivate a strong relationship with the local communities by contributing to the well-being of the people and nation. However, it is important that all CSR, sponsorships and donations are made in accordance with the prescribed requirements of SMSB internal policies.
2. As part of SMSB's commitment to CSR, it shall provide such assistance in appropriate circumstances and in appropriate manner. However, such requests must be carefully examined for legitimacy, and not to be made to improperly influence a business outcome.

10. POLITICAL CONTRIBUTIONS

1. SMSB does not make any contributions or donations whether in the form of monetary or in kind to political parties, political party officials or candidates for political office except in accordance with the laws and with the prescribed written approval or authorisation. Board Member and Employee shall be deemed to be acting in their own personal capacity and not on behalf of SMSB in the event that they had contributed to any political parties or candidates without any prescribed written authorisation or approval from SMSB.

11. FACILITATION PAYMENT

1. SMSB prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the Board Member or Employee himself or for any other person. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.
2. All persons subject to this ABC Policy must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. Any request or offer of facilitation payment must be immediately reported to SMSB.

12. DEALING WITH THIRD PARTIES

1. SMSB dealings with third parties, which include contractors, suppliers, agents, consultants, joint venture partners, introducers/government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of SMSB.
2. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated. SMSB expects that all third parties acting for or on its behalf to share the SMSB's values and ethical standards as their actions can implicate SMSB legally and also tarnish its reputation.

13. RECORD KEEPING

1. All Employees shall ensure and keep all documents or financial records, all expenses and claims relating to entertainment, gifts and have appropriate internal controls in place which will be the evidence for any payments made to a third parties.

14. WHISTLEBLOWING POLICY

1. SMSB encourages openness and transparency in its commitment to the highest standard of integrity and accountability. Any parties lodging a report or disclosure about any actual or perceived bribery or corruption in good faith, belief without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, the disclosing party will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that the disclosing party has mistaken. In addition, any parties or Employee who whistle blow will be also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

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