

ANTI-BRIBERY & CORRUPTION GENERAL POLICY

Document No	5.3.1	Version	0
Summary	This policy illustrates AHB's stance in combating bribery and corruption practices. In addition, it also serves as a guidance for AHB, its employees and related parties in relation to bribery and corruption incidents.		
Scope	AHB and its subsidiaries		
Remarks	Please refer to AHB website for any updates for this Policy.		

Revision History

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1.0 INTRODUCTION

In our Group’s commitment to uphold the zero-tolerance approach on anti-bribery and corruption practices, an Anti-Bribery and Compliance Policy (hereinafter referred to as the “ABC Policy”) has been developed in cohesion with our Anti-Bribery Management System (“ABMS”) to distinguish the boundaries of interactions and dealings of all members of AHB and external parties. In addition to legal requirements, AHB believes that sustainable business relationships are built on honesty, integrity and ethical business practices. This ABC Policy governs the measures to be taken when subjected to potential acts of bribery or misconduct. As such, the ABC Policy is to be read in conjunction with AHB’s Code of Ethics (“COE”), and the Malaysian Anti-Corruption Commission Amendment Act (2018) (“MACCA”).

2.0 ANTI-BRIBERY AND CORRUPTION COMMITMENT

In AHB, we believe that our Company is built on trust and that all acts of bribery and corruption shall not only be deterred but also prohibited.

The Board of Directors (“Board”) of AHB and management are committed to operate our businesses in a fair and transparent manner to prevent, detect and mitigate the risks of unethical practices. The Board and management adopts a “zero-tolerance approach” towards any form of bribery and corruption when conducting its business.

The management shall routinely monitor the bribery and corruption risks of the Company and report all prominent cases to the Board for expedited resolution.

3.0 PURPOSE/OBJECTIVE

The purpose of the ABC Policy is to ensure that AHB established the adequate procedures to prevent, detect and mitigate any conducts of bribery or corruption from happening. Consequences of non-compliance shall also be addressed in this Policy to serve as a greater deterrence to unprincipled conduct amongst our employees and associated business associates.

The ABC Policy is developed to:-

- Set out the responsibilities of AHB and all members of AHB, in observing and upholding the Company's position against bribery and corruption; and
- Furnish information and guidance on how to recognise and deal with bribery and corruption issues.

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4.0 SCOPE

The scope of this ABC policy is applicable to AHB and all of its subsidiaries. It is applicable to all directors and employees (whether on permanent, contract or temporary basis). This encompasses the Board of Directors, employees of all positions and grades as well as business associates acting on behalf of the Group.

Business associates refer to third parties that have dealings with AHB such as, sub-contractors, vendors, consultants, agents, representatives, distributors, sales channel partners, public bodies, customers and other intermediaries who perform work or services for/ on behalf of AHB.

5.0 POLICY CONTENT

This Policy shall cover on methods to comply with the ABC Policy and roles and responsibilities of the Anti-Bribery Compliance Team (“ABCT”).

6.0 DEFINITIONS

For the purpose of this ABC Policy, the following definitions are adopted:

- a) “ABC Policy” is the policy developed defining the responsibilities of AHB and its employees in regards to observing and upholding the zero-tolerance approach on anti-bribery and corruption.
- b) “Audit” is an independent, systemised process of examining recorded evidences against an established standard.
- c) “Board” is a director (executive and non-executive) of the companies within Acme Holdings Berhad, except otherwise stated in this ABC Policy.
- d) “Business associate” is any third party whether an individual, enterprise, or any form of incorporated legal entity by whatever name who does not have an employment relationship with AHB but some degree of involvement in the AHB business dealings.
- e) “Employee” is any person who is employed by Acme Holdings Berhad, either part time or full time, not limited to executives, non-executives, secondees and any individuals on direct hire.
- f) “Family member” includes spouse(s), children (including stepchildren and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in

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laws, uncles, aunts, nieces, nephews, and first cousins, as well as any other persons who are members of the household.

- g) “Governing body” refers to the Board of Directors and Committees of the Board that have the ultimate responsibility and authority for the Company’s activities, governance and policies and to which Senior Management report is held accountable.
- h) “Monitoring” is the observance of a system, activity or process to determine the stage of progress.
- i) “Policy” refers to the principle of action that is adopted by an organisation in alignment with the governing body or top management.
- j) “Risk” is the effect of unpredictability on AHB’s objectives.
- k) “Third Party” can be defined as a person or organisation that is associated with AHB.
- l) “Senior Management” comprises of a person or a group of personnel with authority delegated with the direct and control of AHB’s operations.
- m) “Acme Holdings Berhad” or the “AHB” comprises of the public or private companies within Acme Holdings Berhad and/or its subsidiaries.

7.0 ANTI-BRIBERY COMPLIANCE TEAM

An Anti-Bribery Compliance Team (“ABCT”) is established to oversee and maintain the anti-bribery and corruption compliance. Apart from that, the ABCT is also responsible to monitor and oversee the post implementation of the Anti-Bribery Management System (“ABMS”).

Roles and responsibilities of ABCT includes the following:-

- a) Oversee the implementation of compliance controls related to the ABC Policy;
- b) Provide advice and guidance to AHB’s employees pertaining to issues related to bribery and corruption;
- c) Monitor, measure and evaluate on AHB’s overall performance in addressing issues related to anti-bribery and corruption;
- d) To enhance employees’ awareness on matters related to anti-bribery and anti-corruption based on guidelines published by the Malaysia Anti-Corruption Commission; and
- e) Report the overall performance to the Senior Management and Audit Committee on a quarterly basis.

Candidates for the ABCT shall possess but not limited to the following qualities:-

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- a) Competency of that personnel, i.e. whether he/she has the appropriate education, training or experience and the ability to perform what is required of her/him;
- b) Status of the personnel, i.e. a well-respected person, where other personnel are likely to heed their opinions; and
- c) Ability to perform independently, whereby he/she is not personally involved in the activities of the organisation which are exposed to bribery risk, or to the best of their ability, segregate their responsibilities from their compliance responsibilities so as to be impartial.

ABCT shall conduct annual risk assessment to identify the risk of bribery or corruption affecting the business, implement controls procedures to mitigate such risk, and assess the effectiveness of controls implemented.

8.0 RECORD KEEPING

AHB shall maintain an accurate and auditable record for all financial transactions in accordance to the generally accepted accounting principles.

All documents, accounts and records relating to dealings with third parties, such as customers, suppliers, and other key stakeholders must be accurately accounted for in the books with complete transaction details supported with receipt and approval from Senior Management. AHB emphasises that no account shall be kept “off-book” to conceal or facilitate any improper payment which may be perceived to contain bribery or corruption elements.

Original receipts of donations, sponsorship, corporate hospitality expenses, and register of gifts and expenses shall be maintained for at least 7 consecutive financial years.

9.0 INTERNAL AUDIT

The internal audit role is outsourced to an independent professional consultancy firm to assure the Board of Directors (“BOD”) that the ABMS are effective in preventing, detecting and mitigating the bribery and corruption risk.

Full co-operations must be provided by the ABCT and employees in furnishing the information or documents upon request.

All internal audit findings shall be documented and supported with improvement action plans. The internal audit report shall be presented to the Senior Management and Audit Committees as soon as practicable upon completion of the audit.

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10.0 COMMUNICATION AND TRAINING

10.1 Communication

AHB pledges to provide adequate training and shall endeavour to communicate our commitment to this Anti-Bribery and Corruption Policy (“ABCP”) and relevant rules and regulations to all employees on a regular basis. Additionally, ABCP shall also be readily made available on the Company’s website to ensure that all employees are constantly aware of such requirements and shall, at any given time, understand, comply and adhere to the ABCP.

The communication of this ABCP and programmes can be conducted in a variety of formats and mediums as follows:-

- a) Messages on intranet or Company website;
- b) Emails and memo;
- c) Code of business conduct and employee’s handbooks; and
- d) Quarterly meeting.

10.2 Training

It is imperative that all members of AHB attend the anti-bribery and corruption training annually. The training shall encompass types of bribery and corruption they could encounter, the risks of engaging in these activities and the reporting channel. The training can be conducted in a variety of formats, which includes but not limited to the following:-

- a) Orientation programmes for new recruits;
- b) Refresher trainings/briefing for existing employees;
- c) Corporate training programmes, seminars, external courses and in-house courses; and
- d) Intranet or web-based learning programmes.

Human Resource Division shall maintain records to identify directors and employees who have received training related to anti-bribery and corruption.

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11.0 RECRUITMENT OF EMPLOYEES

AHB being an equal opportunity employer, recruits any qualified and competent individual to be employed by AHB and its subsidiaries regardless of their background. The recruitment of employees is based on approved selection criteria to ensure that only the most qualified and suitable candidates are being employed.

Employment shall not be offered in exchange for or to reward any benefit received by the AHB. In addition, AHB shall not offer employment or create a vacancy in exchange for a personal benefit or for seeking of unfair advantage in any business negotiation. Hiring of close family members of Government Officials shall be reviewed by the Anti Bribery Compliance Team (and report to the Board of Directors) to ensure that the hiring is not an inducement for future business.

Whether the candidate is recommended through sources (i.e. referred by members of AHB or external parties) for a vacancy or through their own application, a thorough background screening, evaluation and assessment shall be conducted. This is to ensure that the potential employee is not involved in any legal cases related to bribery and corruption whether in Malaysia or overseas.

Fair treatment shall be provided to employees of similar grade, seniority, compensation, welfare and further advancement in the Company.

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The following illustrates the conditions that shall be applied throughout the recruitment process



i. Recruitment process and procedures of new employees were carried out based on the approved selection criteria.

ii. Conducting due diligence process to ascertain that the candidate is the suitable person based on selection criteria and/or other prerequisites.

iii. Resolving of any "red flag" encountered prior to recruitment of the candidate. For example, if the candidate is a relative of a public official, proper checking shall be conducted to ensure that it is not a violation of any laws or regulations of the local country.

iv. Appropriate approvals were obtained prior to issuance of Letter of Employment.

v. Apt recording of documentations maintained and transparency for employment of any candidate that has family/household relationship with an existing AHBian.

vi. Safe keeping of all documentations.

vii. All rights and benefits given to the candidate are equitable in value.

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In the recruitment process, the ensuing shall be adhered to mitigate the risk of favouritism.



- i. Recruit potential employee without undergoing the proper process and procedures.
- ii. Circumvent any guidelines, rules or procedures when selecting new employees.
- iii. Hide any information related to conflict of interest of the potential employee. If in doubt, please consult your Head of Division or Human Resource Division.
- iv. Ignore any laws, guidelines or policies when a public official is involved, as some countries might impose particular requirements. Whenever uncertain, please consult your Head of Division or Human Resource Division.
- v. Try to alter, destroy or modify any records.

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12.0 SANCTIONS ON NON-COMPLIANCE

12.1 Establishment of the Anti-Bribery Compliance Team (“ABCT”)

In an effort to mitigate the bribery and corruptions risks, the Board of Directors of AHB has established the ABCT to provide guidance, advice and monitor the bribery and corruption incidents raised by related parties of AHB. Upon verification, appropriate disciplinary and remedial actions will be deliberated and taken against the breaching party.

The ABCT shall comprise of the following:-

- ABCT Coordinator
- ABCT Members

12.2 Roles and Procedures

The ABCT shall assess all reports and instances of non-compliance of the ABC Policy and other internal Company policies.

The ABCT shall promptly notify the Board and the Audit Committee if the reported breach involves the Senior Management of the Company. The Audit Committee and the Board shall convene as soon as possible to oversee the case and provide directives to the ABCT.

Incidents classified as serious infringements and therefore warrants immediate investigation to determine the involvement of alleged perpetrators.

If both Compliance Coordinator (CC) and Compliance Member (CM) are not involved or implicated in the issue or the department in which the issue arises, they are allowed to perform a joint review with considerations, such as disciplinary actions or legal proceedings to be imposed to the implicated employees/wrongdoers. An appropriate disciplinary measure shall be formally recommended by the ABCT, subsequent to the completion of review.

All sanctions to be imposed shall be deliberated by the Board and Audit Committee.

Information of personnel involved in the reported cases shall be handled in strict confidence unless such practice violates the local laws and regulation in which the Company operates in.

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12.3 Disciplinary Action and Penalties

- AHB regards bribery and acts of corruption as serious matters and penalties shall be applied in the event of non-compliance with this ABC policy. For employee of AHB, any non-compliance may lead to disciplinary action which may include, but not limited to, termination of employment.

For business associates, any breaches to this ABC policy may lead to cessation or termination of contract and being liable for a penalty for any lost (i.e. financial loss or non-financial loss) incurred by AHB. Further legal action might be taken in the event that AHB’s interests have been harmed resulting from the non-compliance by the business associates.

12.4 Malaysian Anti-Corruption Commission (Amendment) Act (MACC Act)

Engaging in bribery and corruption practices is prohibited in both the local and international regulations.

Under Section 17A (2) of the MACC Act, the following may be subjected on individuals or organisations found to have committed offences in regards to bribery and corruption:-

1. Imprisonment of up to 20 years;
2. A fine of not less than 10 times the sum or value of gratification which is the subject matter of the offence or RM1,000,000, whichever is higher; or
3. Both the imprisonment (12.4.1) and fine (12.4.2) may be imposed.

13.0 CONTINUOUS IMPROVEMENT

AHB shall continuously monitor the legal and regulatory requirement and identify opportunities for improvement to the ABMS.

Periodical assessment of this ABMS shall be carried out by the Anti-Bribery Compliance Team (“ABCT”) to ensure that the scope, policies, procedures and controls related to the risks bribery and corruption which may be faced by the Company are relevant and effective in mitigating the bribery and corruption risks. Revisions in relation to the business process for the improvement of ABMS shall be implemented as soon as possible.

This policy serves as a form of guidance for all the related parties, such as directors (executive and non-executive), employees and third parties to disclose any form of corruption and suspected wrongdoing. All related parties of the Company, play a vital role in ensuring that this policy is effective and relevant to the Company. Any recommendations or comments from related parties are welcome and we will take reasonable consideration to include such recommendation in our ABMS.

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The ABCT shall review the policy at planned intervals and the policy is subjected to amendments at any time by the Company. Any material revision to this policy shall be disclosed to all personnel and the newly revised policy shall be updated on the Company’s website.

14.0 REFERENCE

- Section 17A of the Malaysia Anti-Corruption Commission Act, 2009 (“MACC Act”)