

# **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

## **FAR EAST HOLDINGS BERHAD**

[Registration No.: 197301001753 (14809-W)]

### **1. INTRODUCTION**

- 1.1 Far East Holdings Berhad (“FEHB”) and its subsidiaries (collectively referred to as the “Group”) conduct its business in an ethical manner taking into view all pertaining matters including corporate governance, statutory and legal requirements. The Group requires all employees (including full time, probationary, contract and temporary staff) (“employees”) and Directors of the Group to be committed to act professionally and with integrity in their business dealings.
- 1.2 The Group have taken reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. This Anti-Bribery and Anti-Corruption Policy (“Policy”) sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group. This Policy is supplemental to and shall be read in conjunction with Whistleblower Policy of FEHB.

### **2. DEFINITION OF BRIBERY AND CORRUPTION**

- 2.1 Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards of other advantages. Corruption is the abuse of entrusted power for private gain.
- 2.2 Whilst the definition of the word ‘corrupt’ and ‘corruption’ vary in their uses, they all have negative connotations. The Malaysian Anti-Corruption Commission (“MACC”) Act 2009 itself may not give a definition for the word corruption, but it alludes at length, to it in Section 16 of the MACC Act.

- 2.3 MACC however clearly specified the act of soliciting, giving, accepting or receiving gratification, directly or indirectly, to/from a person in authority either in the form of money, services or valuable goods as an inducement or reward to or not to do an act in relation to the person's principal affairs as undertaking the act of corruption.
- 2.4 In fact, the act of bribery, fraud, abuse of power and money laundering are all acts of corruption.
- 2.5 The Group has taken serious note of the important amendment to the MACC Act in the form of Section 17A on corporate liability, which will take effect from 1 June 2020 under which a commercial organization will now commit an offence if a person associated with the commercial organization does the following:-
- 2.5.1 that person corruptly gives, agrees to give, promises or offers to any person any gratification; and
  - 2.5.2 that person has the intention to obtain or retain business or an advantage for the commercial organisation.
- 2.6 This means the corrupt act of such an associated person such as an employee, subcontractor or agent will now be attributed to the commercial organisation, unlike before.
- 2.7 Where a commercial organisation is charged with this new corporate offence, the Board must demonstrate absolute defence i.e. show that the organisation had adequate procedures in place to prevent such associated persons from carrying out the corrupt conduct.

### **3. OBJECTIVE**

- 3.1 The objective of the Policy is to provide information and guidance to the Directors and employees on standards of behaviour to which they must adhere to and how to recognize as well as deal with bribery and corruption.

- 3.2 The Policy is not intended to be exhaustive and there may be additional obligations that Directors and employees are expected to adhere to or comply with when performing their duties. For all intents and purposes, the Directors and employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.
- 3.3 A comprehensive risk assessment will be done every three (3) years, with intermittent assessments conducted to ensure anti-corruption integrity levels are not compromised.

#### **4. APPLICABILITY**

- 4.1 The Policy is applicable to all Directors and employees of the Group.
- 4.2 Each Director and employee has a duty to read and understand the Policy. Violation of any of the Policy's provisions may result in disciplinary action including termination of employment.
- 4.3 If a Director requires further clarification on the Policy, the Director may liaise with the Group Executive Chairman or Senior Executive Director, Plantations and Milling or Chief Operating Officer. Meanwhile for an employee at the headquarters, the employee may refer or highlight any concerns to the Chief Operating Officer or the respective Division Manager. Whereas for an employee at the estate, the employee may refer or highlight any concerns to the Senior Executive Director, Plantations and Milling or Senior Regional Manager for Zone A or Plantations Controller for Zone B or respective Estate Manager.

## **5. GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION**

### **5.1 Gift, Hospitality and Entertainment**

- 5.1.1 This Policy does not prohibit normal business hospitality so long as it is reasonable, appropriate, modest and bona fide corporate hospitality.
- 5.1.2 Some examples of acceptable gifts and/or benefits are as follows:-
- (a) token, gifts offered in business situations or to all participants and attendees for example, work related conferences, trade and business events;
  - (b) gifts presented at work related conferences, seminars and/or business events;
  - (c) gifts given in gratitude for hosting business events, conferences and/or seminars;
  - (d) refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
  - (e) meals for business purposes.
- 5.1.3 In the event where Directors or employees are required to give a gift or offer hospitality to a government official, they must exercise proper care and judgment to ensure the gift or hospitality does not create a conflict of interest between them and is not perceived as being used for corruption.
- 5.1.4 For any gift or hospitality to a government official less than RM5,000, prior approval must be obtained from the Chief Operating Officer for both employees at the headquarters and at the estate. For any gift or hospitality to a government official which is more than RM5,000 but less than RM20,000, prior approval must be obtained from the Group Executive Chairman or Senior Executive Director, Plantations and Milling. For any gift or hospitality to a government official which is more than RM20,000, prior approval must be obtained from the Board of Directors.

- 5.1.5 As a general principle, the Directors and employees should not accept or give a gift 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. In addition, lavish or unreasonable gifts or hospitality should not be accepted as such gifts or hospitality may be perceived or interpreted as attempts by the Directors or employees to obtain or receive favourable business treatment for personal benefits.
- 5.1.6 The Directors and employees should be mindful in giving or receiving gifts or hospitality as it could be perceived as a way of improperly influencing the decision making of the recipient. Hence, the intention behind the gifts or hospitality should always be considered.
- 5.1.7 Reasonable and appropriate entertainment, local tours, cultural and sporting events and the like may be offered to third parties only in conjunction with legitimate business meetings, conferences or events hosted, supported or sponsored by the Group. They may never be provided on a stand-alone basis.

## **5.2 Facilitation Payments**

- 5.2.1 Facilitation payments are unofficial payments or other advantages made to secure or expedite the performance of a routine action by an officer of public body. Directors or employees shall not promise or offer, agree to give or offer facilitation payments to an officer of any public body.
- 5.2.2 However, there could arise circumstances in which the Directors or employees have no alternative but to make facilitation payment in order to protect themselves from injury, loss of life or liberty. Any request for facilitation payment under such circumstances should be reported immediately to the immediate superior.

- 5.2.3 For an amount which is less than RM5,000, it is to be reported and payment to be approved by the Chief Operating Officer for both employees at the headquarters and at the estate. For any amount which is more than RM5,000 but less than RM20,000, prior approval must be obtained from the Group Executive Chairman or Senior Executive Director, Plantations and Milling. For an amount which is more than RM20,000, it is to be reported and payment to be approved by the Board of Directors.

### **5.3 Third Parties Compliance and Due Diligence**

- 5.3.1 All third parties including agents, suppliers and joint venture partners should be made aware of this Policy and the arrangements with them shall be subjected to clear contractual terms, including specific provisions requiring them to comply with standards and procedures relating to bribery and corruption.
- 5.3.2 It is important to know who we are working with, be it personnel, business associate or any party who is engaged to work for and on behalf of the Group. The Group shall conduct due diligence on personnel and business associates or any third parties engaging with the Group in particular where there is significant exposure to bribery and corruption risk. The Group may deploy survey questionnaires, conducting web searches, reviewing external databases and screening tools/solutions (i.e. CTOS, RAMCI, Thomson Reuters etc). The Group can also engage third party due diligence service providers. Based on due diligence results, the Group may either decline, suspend or terminate relationships with such personnel, business associates or any other parties engaging with the Group to protect the Group from any legal, financial and reputation risk.

### **5.4 Charitable Contribution**

- 5.4.1 Charitable support and donations are 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 charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the Group Executive Chairman or the Senior Executive Director, Plantations and Milling or the Chief Operating Officer. The records of all charitable contributions shall be kept by the Group.

## **5.5 Sponsorships**

- 5.5.1 Any sponsorship activities conducted must not be used as a conduit to circumvent, avoid or evade laws or regulatory requirements. More importantly, it shall not be used to facilitate corruption, illegal and money laundering activities.
- 5.5.2 All sponsorship requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.
- 5.5.3 The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain that the benefits reach their intended recipients whilst the programmes meet the intended objectives.
- 5.5.4 All sponsorship shall be made in accordance with the approval limits or budget and must obtain approval from the Chief Operating Officer or Senior Executive Director, Plantations and Milling.
- 5.5.5 All employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from Head of Division and Chief Operating Officer.

## **5.6 Procurement Process**

5.6.1 The Group had in place a system of internal process and control which is adhered to strictly in respect of selection of suppliers. Great importance is placed on the maintenance of all records and documents to support the internal controls. Where the supplier selection is formal, a structured invitation by way of tender for the supply of goods and services is implemented.

5.6.2 A tender process includes an invitation to such qualified parties to make proposals on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract. The bidding process is open to all qualified bidders where all sealed bids are in the open for scrutiny and where the successful bidders are selected on the basis of price, quality, service and past experience if any.

## **5.7 Political Contribution**

5.7.1 Subject to any prevailing law that govern political contribution, the Group may make contribution to political parties or candidates. All political contributions require approval from the Board of Directors of FEHB. The records of all political contributions shall be kept by the Group.

## **5.8 Financial Authority Limit**

5.8.1 The Group had adopted a system of Financial Authority Limits in written form which defines the authority and power of each level of management within the Group, in respect of all financial expenditures including the power to commit the Group in any business transaction. This internal control acts as a check and balance of the financial management of the Group.



## **6. RECORD-KEEPING**

- 6.1 It is important that proper and complete records be maintained of all payments made to third parties in the normal course of business as these would serve as evidence that such payments were bona fide and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, would be prepared and maintained with accuracy and completeness.
- 6.2 Except for para 5.1.2, Directors must declare any significant hospitality or gifts accepted or offered and submit details to the Group Executive Chairman and all records pertaining thereto shall be maintained and kept in the office of the Group Executive Chairman. Meanwhile an employee at the headquarters must submit the same to the Secretarial and Corporate Affairs Division and an employee at the estate must submit the same to the Manager of the respective estate. All of the details will be subjected to internal audit review.

## **7. COMPLIANCE TO THE LAW**

- 7.1 The Group will comply with all applicable, laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and employees are expected to understand and comply with the MACC Act 2009 (including any amendment thereof)<sup>1</sup>. The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

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<sup>1</sup> Refer to Appendix I

## **8. REPORTING OF VIOLATIONS OF THE POLICY**

- 8.1 Any employee who knows of or suspects a violation of the Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the Group's Whistleblower Policy. The provision, protection and procedure of the Group's Whistleblower Policy for reporting of the violations of the Policy are available on the Group's website. No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated in strict confidence.

## **9. TRAINING AND COMMUNICATION**

- 9.1 All existing workers operating in areas that are perceived as high risk will receive regular, relevant training on how to implement and adhere to this Policy.
- 9.2 Our zero-tolerance approach to corruption and bribery must be communicated to all suppliers, contractors, agents, business and other partners at the outset of our relationship with them and as appropriate thereafter.
- 9.3 Directors and employees do not use intermediaries, such as agents, consultants, advisers, distributors or any other business partners to commit acts of bribery.

## **10. REVIEW ON THE POLICY**

- 10.1 The Board of Directors will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.

**Approved by Board of Directors of Far East Holdings Berhad  
24 February 2020  
Kelana Jaya, Selangor**

**SECTION 17A**

**MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009**

**MALAYSIAN ANTI-CORRUPTION COMMISSION ACT (AMENDMENT) 2018**

**“Kesalahan Oleh Organisasi Komersial”**

- (1) Suatu organisasi komersial melakukan kesalahan jika seseorang yang bersekutu dengan organisasi komersial itu secara rasuah memberikan, bersetuju untuk memberikan, menjanjikan atau menawarkan kepada mana-mana orang apa-apa suapan sama ada bagi faedah orang itu atau bagi faedah orang lain dengan niat-
  - (a) untuk memperoleh atau mengekalkan perniagaan bagi organisasi komersial itu; atau;
  - (b) untuk memperoleh atau mengekalkan faedah dalam menjalankan perniagaan bagi organisasi komersial itu.
- (2) Mana-mana organisasi komersial yang melakukan kesalahan di bawah seksyen ini apabila disabitkan boleh didenda tidak kurang daripada sepuluh kali ganda jumlah atau nilai suapan yang menjadi hal perkara kesalahan itu, jika suapan itu dapat dinilai atau berbentuk wang, atau satu juta ringgit, mengikut mana-mana yang lebih tinggi, atau dipenjarakan selama tempoh tidak melebihi dua puluh tahun atau kedua-duanya.
- (3) Jika sesuatu kesalahan dilakukan oleh organisasi komersial, seseorang-
  - (a) yang menjadi pengarah, pengawal, pegawai atau pekongsinya; atau
  - (b) yang terlibat dengan pengurusan hal ehwalnya,

pada masa kesalahan itu dilakukan, disifatkan telah melakukan kesalahan itu melainkan jika orang itu membuktikan bahawa kesalahan itu dilakukan tanpa keizinannya atau pembiarannya dan bahawa dia telah menjalankan segala usaha yang wajar dilakukannya untuk menghalang pelakuan kesalahan itu dengan mengambil kira jenis fungsinya atas sifat itu dan kepada hal keadaan.

- (4) Jika suatu organisasi komersial dipertuduh bagi kesalahan yang disebut dalam subseksyen (1), menjadi pembelaan bagi organisasi komersial itu untuk membuktikan bahawa organisasi komersial itu mempunyai tatacara yang mencukupi untuk menghalang orang yang bersekutu dengan organisasi komersial itu daripada melakukan perbuatan itu.
- (5) Menteri hendaklah mengeluarkan garis panduan yang berhubungan dengan tatacara yang disebut dalam subseksyen (4).
- (6) Bagi maksud seksyen ini, seseorang itu bersekutu dengan organisasi komersial jika dia ialah seorang pengarah, pekongsi atau pekerja organisasi komersial atau dia ialah orang yang melaksanakan perkhidmatan untuk atau bagi pihak organisasi komersial itu.
- (7) Persoalan sama ada seseorang melaksanakan perkhidmatan untuk atau bagi pihak organisasi komersial atau tidak hendaklah ditentukan dengan merujuk kepada semua hal keadaan yang berkaitan dan bukan hanya dengan merujuk kepada sifat hubungan antara dia dengan organisasi komersial itu.
- (8) Bagi maksud seksyen ini, “organisasi komersial” ertinya-
  - (a) suatu syarikat yang diperbadankan di bawah Akta Syarikat 2016 [*Akta 777*] dan menjalankan perniagaan di Malaysia atau di tempat lain;
  - (b) suatu syarikat di mana jua diperbadankan dan menjalankan perniagaan atau sebahagian daripada perniagaan di Malaysia;
  - (c) suatu perkongsian-
    - (i) di bawah Akta Perkongsian 1961 [*Akta 135*] dan menjalankan perniagaan di Malaysia atau di tempat lain; atau
    - (ii) yang merupakan perkongsian liability terhad yang didaftarkan di bawah Akta Perkongsian Liabiliti Terhad 2012 [*Akta 743*] dan menjalankan perniagaan di Malaysia atau di tempat lain; atau
  - (d) suatu perkongsian di mana jua ditubuhkan dan menjalankan perniagaan atau sebahagian daripada perniagaan di Malaysia.