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Anti-Bribery and Anti-Corruption Policy	Doc. No.	ABAC-PLY-01	Effective Date	26-Sep-2022
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ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

ABAC-PLY-01

Revision No: 00

REVISION HISTORY

REV NO	DATE	DESCRIPTION	REVISED BY	APPROVED BY
00	01-May-2021	New release	Pung Tzyy Ling	Simon Loh
01	26-Sep-2022	Revise on the policy and attachment's coding	Wong Peng Peng	Simon Loh

APPROVAL

	DESIGNATION	SIGNATURE	DATE
Reviewed By:	QMR		26-Sep-2022
Approved By:	MD		26-Sep-2022



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1.0 OBJECTIVE

This Anti-Bribery and Anti-Corruption Policy is to further enforce the Lufter Sdn Bhd (LUFTER) Code of Conduct to ensure that employees understand their responsibilities in compliance with the Company's zero tolerance for bribery and corruption within the organization.

LUFTER is committed to complying with all applicable laws and regulations of the countries in which it operates and to applying high standards of conduct and integrity in the business activities in the countries where it does business.

If an offence is committed by a commercial organization, the MACC Act also deems its directors, controller, officer, partner or persons concerned in its management of affairs to have committed the same offence.

Effective from the date of this Policy, all our Personnel shall confirm that they have read, understood and will abide by this Policy. A copy of this confirmation shall be documented and retained by Human Resource for the duration of employment.

2.0 SCOPE

This Policy applies to all directors, employees (whether temporary, fixed-term, or permanent), trainees, seconded staff, casual workers, agency staff, volunteers, interns, collectively known as Personnel.

It is also applicable to contractors, sub-contractors, consultants, agents, representatives and service providers of any kind performing work or services, for or on behalf of LUFTER (together, "Business Partners").

The Anti-Bribery and Anti-Corruption policy does not discriminate (and could not be seen to discriminate) against gender, nationalities, cultures or sectors of the workforce.

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3.0 ROLES AND RESPONSIBILITIES

- a) Senior Management is responsible for:
- i. promoting a culture of integrity.
 - ii. review of Policy and procedures to prohibit all forms of bribery and corrupt practices in the organization.
 - iii. the approval of all gratification offers or promise to any Customers or Business Partners, party or their family members.
 - iv. the approval of receiving all gratification offered by any Customers or Business Partners, party or their family members, to all Personnel.
 - v. the approval of entertainment claims, and to reject all incomplete or ambiguous claims and documentation.
 - vi. monitor, review, improve and assess performance, efficiency and effectiveness of ongoing anti-bribery and anti-corruption efforts. Such audits may be conducted internally or by an external party. The results of any audit, risk assessment, review of control measures and performance shall be reported to the Audit Committee and acted upon accordingly.
 - vii. encouraging the use of whistleblowing and other appropriate channels in relation to any suspected or real corruption incidences.
- b) Managers are responsible to:
- i. Promoting a culture of integrity.
 - ii. Seek Senior Management's approval prior to directly or indirectly, offer or promise any gratification to any Customers or Business Partners, party or their family members.
 - iii. Ensure all entertainment claims were approved by Senior Management, and completed with Customers or Business Partners' company name, project code (if any), name and contact numbers of recipient(s) for traceability.
 - iv. Monitor and report any suspicious activities among peers, Personnel, Customers or Business Partners.
- c) All Personnel are responsible to:
- i. Understand and comply with the Policy and procedures. They're encouraged to ask questions and raise concerns.
 - ii. Monitor and report any suspicious activities among peers, Personnel, Customers or Business Partners.

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4.0 ANTI-BRIBERY AND ANTI-CORRUPTION

- a) The Malaysian Anti-Corruption Commission in its official portal (www.sprm.gov.my) describes “**corruption**” as an act of giving or receiving of any **gratification** or **reward** in the form of cash or in-kind of high value for performing a task in relation to his/her job function or activity.
- b) **Corruption** may include “bribery” which is any offering, promising, giving, requesting agreeing to receive, accepting a gratification, or other advantages with the intention of inducing or rewarding someone to perform their job function or activity improperly. Form of bribery includes kickbacks, inflated commissions, expensive gifts, political donations, excessive or inappropriate entertainment.
- c) “**Gratification**” means:
 - i. 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;
 - ii. any office, dignity, employment, contract of employment or services, and
 - iii. agreement to give employment or render services in any capacity;
 - iv. any payment, release, discharge or liquidation of any loan, obligation or other liability;
 - v. any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
 - vi. any forbearance to demand any money or money’s worth or valuable thing;
 - vii. any other service or favor 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; and
 - viii. any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (i) to (vi).

5.0 CONFLICT OF INTEREST

- a) LUFTER seeks to ensure that a conflict of interest does not affect the interests of the company, its shareholders, clients and other stakeholders through identification, prevention and management of the conflict of interest.
- b) All associated person shall declare any personal interest he/she or persons connected to the associated person may have in any company decision or matter he/she is involved in.

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6.0 GIFT

6.1 Providing Gift

- a) **“Corporate gift”** normally bears the company’s name and logo and are of nominal/ appropriate value such as diaries, table calendars, pens, notepads and plaques.
- b) **“Festive or ceremonial gifts”** are traditional treats or gifts customary to the occasion such as red packets (without cash or cash equivalent), oranges and dates.
- c) Corporate gifts, festive or ceremonial gifts may be given to our Business Partners or other parties provided it fulfils all of the following conditions:
 - i. made for the right reason – it should be clearly given as an act of appreciation or common courtesy associated with festive seasons or other ceremonial occasions;
 - ii. no obligation – it must not be used to cause or induce the receiver to improperly or illegally influence any business action or inaction or cause others to perceive an improper influence;
 - iii. no expectation – there must not be any expectation of any favor or improper advantages from the receiver;
 - iv. made openly – if made secretly and undocumented then the purpose will be open to question;
 - v. reasonable value – the type of gift and its value must commensurate with the occasion and in accordance with general business practice.

 For example, a Chinese New Year red packet of < RM100 is acceptable from a Sub-contractor to an employee. However, if the value is RM1,000 for a particular employee only, it is deemed unusual, considering the relationship between giver and receiver.
 - vi. legal – it complies with applicable laws; and
 - vii. documented – the expense must be approved in accordance with and complies with the Policy.

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6.2 Accepting Gift

- c) LUFTER recognizes that exchange of gifts is a very delicate matter where, in certain cultures or situations, gift giving is customary, a tradition or central part of business etiquette.
- d) Our Personnel are expected to decline (or avoid accepting) gifts with the exceptions being:
 - i. corporate gifts of nominal / appropriate value;
 - ii. festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions;
 - iii. when refusing the gift is likely to offend and harm LUFTER's business relationship with the giver; or
 - iv. gifts given during invitation to speak at conferences or work-related conferences.
- e) If you are in doubt about the acceptability, the gift must be refused.
- f) Our Personnel and Business Partners must not directly or indirectly solicit for gifts from any party for themselves or for or on behalf of LUFTER.
- g) Our Personnel must report any gift received, irrespective of value, in the Gifts Register within five (5) working days of receipt. In no circumstances may our Personnel (or anyone on their behalf) accept gift in the form of cash or cash equivalent (except for red packet tradition in token amount during the relevant festive season) from any party having business dealings with LUFTER.

7.0 ENTERTAINMENT

7.1 Providing Entertainment

- a) It is a common practice within the business environment to provide entertainment to foster business relationships. LUFTER recognizes the need to provide reasonable and proportionate entertainment under appropriate circumstances. Whilst the act of hospitality through entertainment is a central part of business etiquette, it may create a negative perception if observed or known by others despite selfless motives behind the entertainment provided.
- b) Only with the Senior management's approval, our Personnel can offer appropriate and proportionate entertainment that is legal and reasonable within the scope of their work as part of business networking as well as a measure of goodwill towards the recipients.
- c) Our Personnel must always bear in mind that perception is more important than facts and therefore our Personnel is expected to always exercise proper care and good judgement when providing entertainment to external parties, especially when it involves public officials.
- d) Our Personnel must not directly or indirectly provide or offer to provide entertainment with a view to cause undue influence or in exchange for favors or advantages. Such acts are considered corruption.



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7.2 Accepting Entertainment

- a) LUFTER recognizes that occasional acceptance of appropriate and proportionate entertainment provided by Business Partners or other parties in the normal course of business is a legitimate way to network and to build business relationships.
- b) Only with Managing Director's approval, our Personnel or any of their family members can accept any entertainment offered or provided by Business Partners or other external parties. This is to safeguard LUFTER's reputation and avoid allegations of impropriety or undue influence or worse, corruption.
- c) The approval shall be documented, then the entertainment can be accepted openly, to the knowledge of all personnel and stakeholders. The entertainment shall be of reasonable value, with no expectations or obligations to provide favors or advantages.

8.0 FACILITATION PAYMENTS

- a) Facilitation payments are form of payments made personally to an individual in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function (e.g., influencing the timing of process or issuing of permits). In Malaysia, facilitation payment is illegal. It is seen as a form of corruption. Regardless of whether it is legal in any other country, facilitation payment is strictly prohibited under this Policy.
- b) Our Personnel and Business Partners must not directly or indirectly offer, promise or give any form of facilitation payment to any public officials for any purposes.



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9.0 DONATION AND SPONSORSHIPS

9.1 Charitable or Educational Donations and Sponsorships

- a) LUFTER will only provide charitable or educational donations and public welfare sponsorships if they are ethical and legal under applicable laws. All donation and sponsorship expenses must be approved in accordance with LUFTER's standard operating procedures.

9.2 Prohibition of Donation / Contribution to Political Parties or Individual Politicians

- a) Our Personnel and Business Partners must not make donation or funding of any kind to political parties or individual politicians or towards political campaigns or initiatives for or on behalf of LUFTER.

10.0 CORPORATE HOSPITALITY

10.1 Accepting Corporate Hospitality

- a) Corporate hospitality is generally events or activities organized by LUFTER, which involves entertainment of employees and/or other parties for the benefit of that organization. Examples of corporate hospitality includes seminars / workshop / talks on subject matters relevant to the industry and town hall sessions.
- b) LUFTER recognizes that providing corporate hospitality be it through corporate events, sport events or other public events, is a legitimate way to network, promote goodwill and build business relationships.
- c) While providing appropriate and proportionate corporate hospitality is a reflection of LUFTER's courtesy and generosity, our Personnel must exercise proper care and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit. More importantly, it must not be given or give rise to the perception that it is given to obtain business or advantage of any kind or unduly influence the outcome of a business decision.



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11.0 REPORTING FOR VIOLATIONS OF POLICY AND WHISTLEBLOWER RIGHTS

- a) If you suspect, or reasonably believe that this Policy has been, or is being breached, you have an obligation to report your concerns to your Manager or Senior Management and where applicable.
- b) All concerns reported will be taken seriously, treated in confidential manner and investigated immediately. Your anonymity will be protected unless the disclosure is required by law pursuant to an investigation or legislation, but you may be required to provide a statement as supporting evidence to any investigation. Any retaliation directed against anyone making such report will not be tolerated.
- c) All reports shall be made in good faith and the report must be legitimate. Anyone who makes any malicious, scandalous or vexatious report, and particularly if they persist with such untrue allegations, they will be subjected to LUFTER's disciplinary actions.

12.0 ENFORCEMENT FOR NON-COMPLIANCE

- a) LUFTER regard acts of bribery and corruption seriously and will take appropriate actions in the event of non-compliance of this Policy. For our Personnel, non-compliance of this Policy may lead to disciplinary action and termination of employment.
- b) For Business Partners, non-compliance of this Policy may lead to termination of contract and claim for damages.

13.0 TRAINING AND COMMUNICATIONS

- a) This Policy is a public document which shall be communicated to all our Personnel and Business Partners. Our Personnel and Business Partners must read and understand LUFTER's position on anti-bribery and anti-corruption.
- b) Adequate training on LUFTER's anti-bribery and anti-corruption approach shall be provided to our Personnel.

14.0 ATTACHMENTS

- ABAC-F-02 Gift and Entertainment Declaration Form