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# **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY ("ABAC POLICY")**

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## **1.0 INTRODUCTION**

Raffcomm Sdn. Bhd. and its group of companies (“Raffcomm Group”) are firmly committed to conduct its business with the highest level of integrity and ethics in order to build concrete relationships of mutual respect and trust with our business associates and third parties such as customers, vendors, service providers and others with whom we deal with.

This Raffcomm Group’s Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) sets out guidelines in addressing and managing the giving and acceptance of ‘gratification’ as defined in Section 3 of Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”) (“Gratification”), all forms of social/ sporting event or activity intended to entertain including the meal, travel tickets etc. (basically, recreation of any kind) (“Entertainment”) and all forms of hospitality/ accommodation with or without consideration paid (“Hospitality”) in order to comply with anti-corruption laws and regulations applicable to its business.

Raffcomm Group requires all its directors and employees to give their supports and commitments for this ABAC Policy in daily operations failing which severe punishment on conviction of the offence of bribery and corruption may be imposed on Raffcomm Group and may result in disciplinary action against any director and/ or employee of Raffcomm Group that is found guilty which could include termination of employment or dismissal.

This ABAC Policy is based on the Guidelines on Adequate Procedures (GAP) as complemented by the Adequate Procedures Best Practice Handbook Adequate Procedures Best Practice Handbook (under Section 17A (5) of MACC Act 2009).

## **2.0 OBJECTIVES**

The primary aims of this ABAC Policy are to promote and maintain good governance, integrity and accountability as well as to monitor and assess the interaction of business operations within Raffcomm Group.

## **3.0 ANTI-CORRUPTION POLICY STATEMENT**

- 3.1 All forms and matters of bribery and corruption are prohibited. Raffcomm Group fosters and upholds a zero-tolerance approach towards bribery and corruption and takes a strong stance against such acts by implementing, managing, administering and enforcing this ABAC Policy.
- 3.2 This ABAC Policy applies worldwide to all directors, employees of Raffcomm Group, business associates and third parties engaged in business with Raffcomm Group.

3.3 Each person to whom this ABAC Policy applies:

3.3.1 Will have access to this ABAC Policy via Raffcomm Sdn. Bhd.'s and Raffcomm Technologies Sdn. Bhd.'s websites at [www.raffcomm.my](http://www.raffcomm.my) and [www.cyphersign.my](http://www.cyphersign.my).

3.3.2 Must read and comply with this ABAC Policy

#### **4.0 DUTY AND RESPONSIBILITY OF DIRECTORS AND EMPLOYEES**

4.1 It is the duty and responsibility of each Raffcomm Group director and employee to:

4.1.1 observe and comply with this ABAC Policy;

4.1.2 implement this ABAC Policy within his/ her sphere of responsibility, constantly communicate with and ensure that the subordinates adhere with this ABAC Policy;

4.1.3 constantly communicate and remind all business associates and third parties (not being Raffcomm Group's directors and employees) that have dealings with Raffcomm Group such as customers, vendors, service providers and others to observe and comply with anti-corruption laws and regulations applicable to Raffcomm Group's business and of Raffcomm Group's zero-tolerance approach towards bribery and corruption;

4.1.4 prevent and promptly report any act or suspected act(s)/ transaction(s) of bribery or corruption in the manner as provided in this ABAC Policy; and

4.1.5 provide his/ her fullest cooperation and assistance to the Integrity Committee (as defined below) at all times.

4.2 Subject to Clause 7, each Raffcomm Group directors and employee shall avoid and refrain from any activity or event that could directly or indirectly result in or lead to a breach of this ABAC Policy.

#### **5.0 ANTI-BRIBERY AND ANTI-CORRUPTION COMPLIANCE FUNCTION**

5.1 'Integrity Committee' is a committee set up to assist in the implementation of this ABAC, to manage and administer this ABAC Policy with the assistance of the relevant decision-makers according to the Limits of Authority Manual (that is inclusive of Approval Matrix) and all Heads of Departments or the Manager (whichever is applicable).

5.2 Integrity Committee shall provide advice and guidance on the implementation of this ABAC Policy and issues relating to bribery and corruption.

5.3 Integrity Committee shall conduct periodical internal audit to ensure compliance with this ABAC Policy and yearly risk assessments to identify the bribery and corruption risks potentially affecting Raffcomm Group.

- 5.4 Integrity Committee shall be an authority that has the appropriate competence, status, authority and independence and empowered to act against misconduct, bribery and corruption, including instigating investigations whenever deemed necessary based on reasonable cause for suspicion. The duties and responsibilities of the Integrity Committee are as follows:
- 5.4.1 to receive, examine and/or evaluate all allegations or complaints regarding corruption and bribery activities;
  - 5.4.2 to execute and/ or conduct all investigations in a fair and objective manner and in the manner as provided under this ABAC Policy where necessary;
  - 5.4.3 to ensure investigation findings are accurately and impartially captured to its best ability and thereafter forward the same to the Raffcomm Group’s Board of Directors for deliberation and decision; and
  - 5.4.4 where illegal conduct (that includes a criminal act and/ or serious misconduct) has occurred, this may result in disciplinary action against any director and/ or employee of Raffcomm Group that is found guilty which could include termination of employment or dismissal and may also involve reporting the matter to the appropriate authorities.
- 5.5 The follow-up actions on the legal and/ or disciplinary action shall be carried out by the respective department and/ or company within Raffcomm Group, after consultations with and advice from the Integrity Committee and Head of the Human Resources Department, following the due process of the law.
- 5.6 The Head of the Human Resources Department and the Head of the Finance Department shall ensure resources are adequately assigned to perform anti-bribery and anti-corruption compliance function.

## **6.0 “NO GIFT” POLICY**

Raffcomm Group adopts a “No Gift” policy, whereby it is applicable to all directors and employees of Raffcomm Group. The directors and employees must not directly or indirectly give or accept any Gratification, Entertainment and Hospitality to or from any party which will influence and interfere their decision-making/ judgment in carrying out their duties.

## **7.0 PRINCIPLES OF GRATIFICATION, ENTERTAINMENT AND HOSPITALITY**

- 7.1 In line with the “No Gift” policy and to avoid conflict of interest or the appearance of conflict of interest, under no circumstances may Raffcomm Group’s directors and employees accept any Gratification, Entertainment and/ or Hospitality from the business associates or any third parties engaged in business with Raffcomm Group. Directors and employees may only accept gift in the limited exceptions where there is no conflict of

interest in accepting the gift and the gift is worth not more than RM350.00 per item and must not occur more than three (3) times a year with the same person or inexpensive mementos such as commemorative gift, door gift, plaques, pennants, handicraft or printed materials or if it is Entertainment and/ or Hospitality, the cost(s) thereof is/ are reasonable and do/ does not exceed the threshold as stipulated below:

<b>JOB GRADE</b>	<b>PER EVENT/ ACTIVITY/ HOSPITALITY (RM)</b>
Executive Chairman	<5,000
Director/ CEO/ COO (C-Suite)	<1,000
Head of Department/ Manager	<500
Executive and Non-Executive	<300

- 7.2 If the amount of the Gratification (that includes gift), Entertainment and/ or the Hospitality are/ is more that the stipulated threshold as above, approval by the relevant decision-makers or the immediate superior or the Head of Department or the Manager (whichever is applicable) shall be required for the giving and acceptance of such Gratification, Entertainment and/ or Hospitality.
- 7.3 For the purposes of the approval pursuant to Clause 7.2, the relevant decision-makers or the immediate superior or the Head of Department or the Manager (whichever is applicable) shall exercise proper care and judgment on the case to case basis and take into account the following:
- 7.3.1 the value and the character of the said Gratification, Entertainment and/or Hospitality;
  - 7.3.2 the frequency of a similar transaction made;
  - 7.3.3 the actual recipient or giver of the said Gratification, Entertainment and/or Hospitality;
  - 7.3.4 the timing of the giving or receipt of the said Gratification, Entertainment and/or Hospitality.
  - 7.3.5 the purpose and the position/seniority of the person(s) giving or receiving the said Gratification, Entertainment and/or Hospitality;
  - 7.3.6 the business context and reciprocity of the said Gratification, Entertainment and/or Hospitality;
  - 7.3.7 applicable laws; and
  - 7.3.8 cultural norms.

7.4 Any giving and acceptance of Gratification, Entertainment or Hospitality (irrespective of its value) and approval or rejection of any giving and acceptance of Gratification, Entertainment and Hospitality shall be recorded immediately through Raffcomm Group's Gratification, Entertainment & Hospitality Activity Reporting Form (**APPENDIX A**).

#### 7.5 **Consequences of Approval**

7.5.1 'Gratification' includes 'gift' whereby a gift comprises of cash money, free fares, shares, lottery tickets, travelling facilities, entertainment expenses, services, club membership, any form of commission, hampers, jewellery, decorative items and any item of value that is given by a party to another party.

7.5.2 Gift that has been approved pursuant to Clauses 7.2 and 7.3 above shall be surrendered to the relevant decision-makers or the immediate superior or Head of Department or the Manager (of the relevant department) (whichever is applicable) while awaiting the approval by the Integrity Committee for one of the following treatments:

7.5.2.1 Return the gift to the person giving the same;

7.5.2.2 Hold it for departmental display:

7.5.2.3 Permit the receiver to keep the gift if the gift contains such receiver's name;

7.5.2.4 Share the gift with the rest of the receiver's department or other employees (for consumable gift); or

7.5.2.5 Donate the gift to charity.

### 8.0 **CHARITABLE DONATIONS AND SPONSORSHIPS**

8.1 Donations to charitable organizations and sponsorships payment made to support the community are allowed subject to the following requirements:

8.1.1 such donations and sponsorships are permitted by the applicable laws and regulations;

8.1.2 necessary approval of the Executive Chairman or Group CEO is obtained; and

8.1.3 The recipient must be a legitimate organization and appropriate due diligence must be conducted in particular to ascertain proper administration of the donations and sponsorships, to meet the intended programme objectives and to ensure that the donations and sponsorships are not used to facilitate and conceal any acts of bribery and corruption.

8.2 All donations and sponsorships must be accurately recorded in the organization's accounting books and records for transparency and be able to be disclosed publicly when required to.

## 9.0 FACILITATION PAYMENT

- 9.1 Facilitation payment is an illegal or unofficial payment made in return for services that the payer is legally entitled to receive without making such payment. It is the payment to secure or expedite the performance of services by a person performing a routine or administrative duty or function
- 9.2 Raffcomm Group fosters and upholds a strict stance that prohibits the offer or receipt of facilitation payments.
- 9.3 If directors or employees are faced with a demand for what they consider to be facilitation payment, the following action should be taken:
- 9.3.1 Request for proof that the payment is legitimate and an official receipt for such payment. If no satisfactory proof is provided, the directors or employees shall refuse to make the payment;
- 9.3.2 If the directors' or employees' life, limb or liberty is threatened and there is no other alternative to not to make the payment, the following action must be taken as soon as possible:
- 9.3.2.1 the directors or employees must make a statement/ report of the incident that includes the detailed and verifiable description of the incident and other relevant information in connection with the incident by completing the Incident Reporting Form (**APPENDIX B**);
- 9.3.2.2 the directors or employees must submit the Incident Reporting Form to the relevant decision-makers or his/ her immediate superior or Head of Department or the Manager (whichever is applicable) for further transmission to the Integrity Committee to facilitate investigation; and
- 9.3.2.3 the directors or employees must make a police report.
- 9.3.3 Making facilitation payment in the abovesaid situation is the only exception which can be used as a defence when faced with allegations of bribery and corruption.
- 9.3.4 The Integrity Committee will decide whether or not to report the incident to the authorities in the country concerned and/or report the incident to the Malaysian Anti-Corruption Commission.

## 10.0 DECLARATION AND CONFIRMATION

- 10.1 All directors and employees of Raffcomm Group are required to declare that they have read, understood and will comply with this ABAC Policy. A copy of the declaration of



each director and employee shall be documented and retained by the Human Resources Department for the duration of the term and employee's employment with Raffcomm Group.

The declaration form can be found in the **APPENDIX C** of this ABAC Policy (as may be amended from time to time).

## **11.0 TRAINING AND AWARENESS**

11.1 The Integrity Committee and the Human Resources Department shall ensure that all existing and new employees training will be conducted as follows:

11.1.1 New Recruits: Training will be part of the induction program;

11.1.2 Existing Employees: Refresher training conducted periodically.

11.2 The Human Resources Department shall document and maintain the training records.

## **12.0 REPORTING AND RAISING A CONCERN**

12.1 In the event anyone sees or suspects an instance of bribery or corrupt activity occurring that violates this ABAC Policy or applicable laws and regulations, whether deliberately or inadvertently, he/ she must raise and report the incident at the earliest to the Integrity Committee through email address: [alert@raffcomm.my](mailto:alert@raffcomm.my)

12.2 In the case of a reportable conduct involving any member of the Integrity Committee, such report should be addressed directly to the Executive Chairman or Group CEO and must be marked '*Strictly Private and Confidential and to be opened by the Addressee only*'.

12.3 Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of the investigation. The identity of the informer and the information shall be kept confidential.

12.4 Raffcomm Group does not tolerate retaliation against anyone who raise and report the actual or suspected-bribery and corruption incidents in good faith. Any director or employee who retaliates against anyone who make such reports in good faith will be subject to disciplinary action, which could include termination of employment or dismissal.

## **13.0 DUE DILIGENCE, REMINDERS AND ENGAGEMENT SESSIONS**

13.1 Raffcomm Group expects all business associates and third parties such as customers, vendors, service providers and others that engaged in business with Raffcomm Group to contractually agree to refrain from bribery and corruption.

- 13.2 Due diligence investigation must be performed on all business associates and third parties such as customers, vendors, service providers and others that engaged in business with Raffcomm Group. The scope of the due diligence investigation includes but not limited to background and credit checks, document verification and interviews (“Due Diligence Investigation”). Due Diligence Investigation shall be conducted and the External Parties Compliance Declaration Form (**APPENDIX D**) must be completed and signed by any person, business associate or third party who wishes to engage in business with Raffcomm Group and thereafter, to return the signed External Parties Compliance Declaration Form together with the required supporting documents to the relevant business unit for the business unit’s evaluation process prior to entering into any business dealings or any contractual relationship.
- 13.3 Persons associated with Raffcomm Group must not commence or continue business dealings with such business associates and/ or third parties if the results of the Due Diligence Investigation are unsatisfactory.

#### **14.0 FINANCIAL AND NON-FINANCIAL CONTROLS**

Raffcomm Group adopts segregation of duties for job functions (i.e. financial and non-financial related) and communicated to directors and employees for adherence.

#### **15.0 AUDIT AND REVIEW**

All of Raffcomm Group’s documents, processes and systems shall be subject to periodical internal audit by the Integrity Committee to ensure compliance with this ABAC Policy.

#### **16.0 STORAGE AND MANAGEMENT OF RECORDS**

The relevant decision-makers or the immediate superior or the Head of Department or the Manager (whichever is applicable) shall cause and ensure that the Gratification, Entertainment & Hospitality Activity Reporting Form and all other information related to this ABAC Policy shall be maintained and made available for audit and verification purposes for a period of 7 years from its date of generation or in accordance with the prevailing laws in Malaysia, whichever is longer.

#### **17.0 INCORPORATION OF ANTI-CORRUPTION PROVISIONS INTO DOCUMENTS**

- 17.1 All contracts/ agreements and documents intended for circulation must as far as possible contain where applicable an anti-bribery and anti-corruption provision.
- 17.2 The appropriate anti-bribery and anti-corruption provision can be obtained from the Business Compliance Department.

## **18.0 AMENDMENTS AND IMPROVEMENTS**

- 18.1 This ABAC Policy may from time to time be amended or revised by the Raffcomm Group's Board of Directors with the assistance of Business Compliance Department and the Integrity Committee to improve its suitability and effectiveness in combating bribery and corruption, taking into account the latest developments in the legislation as well as the evolution of industry and international standards.
- 18.2 All directors and employees are encouraged to offer their feedback to the Business Compliance Department and the Integrity Committee on this ABAC Policy if they have any suggestions for the improvement of this ABAC Policy.

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