



**SDB**

**Selangor Dredging Berhad**

Registration No. 196201000105 (4624-U)

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

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ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

**1. Introduction**

- 1.1 This Anti-Bribery and Anti-Corruption Policy (“**ABAC Policy**” or “**this Policy**”) is developed as part of Selangor Dredging Berhad’s (“**SDB**”) anti-bribery and anti-corruption program and is applicable to SDB and its subsidiaries (“**SDB Group**”).
- 1.2 This Policy applies to both SDB Personnel and SDB Business Associates.
- 1.3 SDB does not condone bribery or corruption and expects all SDB Personnel and SDB Business Associates to adhere to the same principles in representing SDB or in their business conduct with SDB.
- 1.4 For ease of reference, certain sections of this Policy are divided based on its applicability to SDB Personnel and SDB Business Associates respectively.

**2. Definitions**

In this ABAC Policy, unless the context requires otherwise:

“Board” or “Board member”	refers to the Board of Directors of SDB;
“bribery”	refers generally to when gratification is requested, given, accepted, procured, directly or through a third party, for the benefit, goodwill or advantage of the recipient or another person, whether actual or perceived, in acknowledgement of some influence over a transaction. It also refers to any bribery offence prohibited under the Malaysian Anti-Corruption Commission Act 2009 and the relevant anti-bribery laws in your jurisdiction;
“corruption”	refers to the use of position of trust for dishonest gain, through the act of soliciting, giving, accepting or receiving gratification, directly or indirectly, to or from a person in authority either in the form of money, services or valuable goods as an inducement or reward to do or not to do an act in relation to the person’s principal affairs;
“facilitation payments”	means payments made to secure or expedite the performance by a person performing a routine or administrative duty or function as a form of gratification;
“relative”	includes spouse(s), siblings, siblings of the spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, maternal or paternal

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	grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews or cousins;
“gift” or “gifts”	include(s) cash, cash-equivalent gifts and non-cash gifts including but not limited to corporate gifts such as pens, plaques, photo frames to hampers, flowers, food etc;
“gratification”	may come in various forms including but not limited to that of a donation, gift, loan, fee, reward, valuable security, property, or interest in property of any description whether movable or immovable, money or any other similar advantage including an offer or promise of any of the preceding forms of gratification;
“Public Official”	includes officers of the Government of Malaysia, the Government of a State, local authority, statutory authority, or anyone receiving remuneration from public funds. An individual does not cease to be a Public Official by simply purporting to act in a private capacity;
“referral”	means a fee or commission or some non-monetary benefit offered to another party; and
“SDB Business Associate” or “SDB Business Associates	refer(s) to any individual or organisation that SDB Group contracts with during the course of its business, including actual and potential customers, suppliers, distributors, business contacts, agents, advisors, consultants, subcontractors, joint venture partners, tenants and service providers;
“SDB Personnel”	refers to every director, member, nominee, full time employee, part time employee, contract worker and intern of SDB Group; and
“you”, “your” or “yourself”	means any person to whom this Policy applies.

**3. Policy Statement**

3.1 SDB is committed to maintain the highest standards of ethics and integrity in the way we do business. As such, SDB Personnel must never, directly or through intermediaries, offer or promise improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, including SDB Business Associates. Similarly, SDB Personnel must not accept any such advantage in return for any preferential treatment of a third party. We also expect SDB Business Associates to adopt the same approach. Your relationship with SDB must reflect SDB’s ongoing commitment in doing business ethically and with integrity.

- 3.2 SDB recognises the compliance of all applicable laws and regulations, including the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act**”) and its amendments, and the Companies Act 2016. To the extent you are governed by applicable laws and regulations which prescribe stricter standards or conflict with the MACC Act or the Companies Act 2016, you must comply with the stricter standards in the jurisdiction you are operating in.

#### **4. Anti-Bribery and Anti-Corruption General Principles**

- 4.1 You must not participate in any corrupt activity such as seeking or accepting a bribe to do or forbear from doing something to SDB’s detriment. Similarly, you must not offer or pay a bribe in return for a third party to do or forbear to do something improper, even if it is perceived to be to SDB’s benefit or advantage. Further, you must not abuse your position in SDB for personal gain.
- 4.2 Facilitation payments are similarly strictly prohibited as they are considered as bribes in Malaysia. In simple terms, facilitation payments are unofficial and improper payments made to secure or expedite a routine administrative function.
- 4.3 When you are being asked to bribe or is offered a bribe, you must immediately report the matter to your Head of Department or your contact person in SDB, as the case may be.
- 4.4 If you are found to have committed an act of bribery, both you and SDB could be charged for a corrupt offence under the MACC Act. It is therefore important to avoid the perception of offering or giving bribes, which are further elaborated below.

#### **5. Gifts**

##### ***For SDB Personnel***

- 5.1 SDB recognizes that corporate gifts (both giving and receiving) is a legitimate way of creating goodwill, building strong business relationships and is common practice within its industry and business environment.
- 5.2 SDB allows for appropriate gifting and receiving of corporate non-cash gifts which are not lavish or excessive. Examples of cash equivalent gifts are coupons, vouchers, tokens that can be converted into cash or credits that can be exchanged for items of similar value.
- 5.3 You must however, ensure the corporate gifts are given openly and not secretly. You must further ensure the gifts are not given with an intention to illegally influence a third party to do or forbear from doing something to obtain or retain business for SDB.
- 5.4 If you receive cash, cash equivalent gifts or gifts that are expensive or lavish, you must return these gifts with a polite explanation note of the rules under this Policy. This is because cash, cash equivalent gifts or expensive or lavish gifts may be viewed as gifts capable of swaying your professional judgment to act with integrity and in the best interest of SDB and could be perceived as bribes. Even if you do not think your professional judgment will be affected, you should avoid the perception of offering or accepting a gift which may be seen as a bribe.
- 5.5 You must keep records of the gifts in accordance with SDB’s internal procedures.

***For SDB Business Associates***

- 5.6 You must not offer gifts, whether directly or indirectly, with a view to improperly influence SDB Personnel's professional judgment or decisions. You must also not accept gifts from SDB Personnel in order to do or forebear to do something improper for SDB's benefit.

**6. Hospitality and Entertainment**

***For SDB Personnel***

- 6.1 SDB recognizes that providing hospitality and entertainment is a legitimate way of creating goodwill, building strong business relationships and is sometimes common practice within its industry and business environment.
- 6.2 SDB allows for appropriate entertainment and hospitality which are not lavish or excessive. Examples of cash equivalent gifts are coupons, vouchers, tokens that can be converted into cash or credits that can be exchanged for items of similar value.
- 6.3 You must however, ensure that all forms of hospitality and entertainment are given openly and not secretly. You must further ensure the hospitality and entertainment are not given with an intention to illegally influence a third party to do or forbear from doing something to obtain or retain business for SDB.
- 6.4 You must keep records and declare all such expenditure in accordance with SDB's internal procedures.
- 6.5 You must not accept any form of hospitality or entertainment you consider disproportionate.
- 6.6 You should be mindful that expensive or lavish hospitality or entertainment may be viewed as hospitality or entertainment capable of swaying a person's professional judgment to act with integrity and in the best interest of his company and could hence, be perceived as bribes. Even if you do not think your professional judgment or your counterparty's professional judgment will be affected, you should avoid the perception of offering or accepting a bribe.

***For SDB Business Associates***

- 6.7 You must not offer or accept any form of hospitality or entertainment you consider disproportionate or might be perceived as improperly influencing the professional judgment of SDB Personnel, or cause SDB Personnel to do or forebear to do something improper.

**7. Dealing with Public Officials**

- 7.1 Notwithstanding that which has been provided under **Paragraphs 5 and 6**, you are prohibited from offering gifts, entertainment and hospitality to any Public Official or his/her relative, without having obtained written approval from the Board.
- 7.2 Upon being granted an approval pursuant to **Paragraph 7.1**, you must ensure that the gift or entertainment extended is not excessive and must be commensurate with an official duty and designation of the Public Official and not his/her personal capacity. This is to avoid the perception that you are bribing a Public Official.

## **8. Referrals**

- 8.1 SDB adheres to a zero-referral policy for all Public Officials. All other referral payments must be made in accordance with the limits of authority document approved by the Board. Upon approval, the agreement must clearly set out the basis and amount of the referral. This is because excessive referral payments for no apparent business reasons might be perceived as bribes and you must avoid such perceptions.

## **9. Facilitation Payments**

- 9.1 SDB does not offer or seek facilitation payments with the view of expediting applications and approval processes which are contrary to procedural requirements for our business dealings and transactions.
- 9.2 No SDB Personnel or SDB Business Associate shall offer monetary or non-monetary payments and benefits for facilitation purposes, nor will they be involved, directly or indirectly, in and accepting facilitation from any person.

## **10. Donations and Sponsorships**

- 10.1 Donations and sponsorships in money or in kind to support community events are part of SDB Group's corporate social responsibility efforts. All donations and sponsorships must be made in accordance with the limits of authority document approved by the Board.
- 10.2 Donations and sponsorships will not be offered during sensitive period eg. SDB Group will not sponsor government departments managing a tender process that SDB Group is participating in immediately before and throughout the entire tender period.

## **11. Audit and Record Keeping**

- 11.1 Regular audits shall be conducted within SDB to ensure compliance to this Policy. Such audits may be conducted internally or by an external party.
- 11.2 You are expected to ensure interactions with SDB are documented and retained. All such records must be accurate and complete. Therefore, procedures and processes must be in place to ensure that all transactions or other business conduct are properly authorised and accurately recorded. The following information must be documented in order to maintain substantiality:
- (a) business purpose;
  - (b) benefit received/provided and its value;
  - (c) date;
  - (d) location and establishment (if relevant, i.e. if meal is hosted);
  - (e) name, title, company and SDB Personnel and/or SDB Business Associate involved; and
  - (f) names and affiliations of other participating persons.
- 11.3 All such records must be kept for 6 years. SDB may in its discretion request for such documentation at any time in connection with its internal or external audit.
- 11.4 Any failure to record transactions accurately, falsifying or creating misleading information or influencing others to do so could constitute a fraud and result in penalties.

## **12. Conflict of Interest**

- 12.1 All SDB Personnel and SDB Business Associates are expected to avoid personal activities and / or financial interests which could conflict with their responsibilities to SDB.
- 12.2 A conflict of interest is a situation where one or more persons or entities have competing interests and the serving of one interest may involve detriment to another. Failure to identify and appropriately manage conflicts of interest could result in inappropriate or adverse consequences for all the parties involved, such as but not limited to reputational damage, regulatory sanctions, and risk of litigation.
- 12.3 You must not let any decisions you make with regards to your business with SDB be influenced by personal considerations such as but not limited to your personal relationships or external interests.
- 12.4 You must make known and withdraw from any business conduct with SDB that creates an actual, potential, or perceived conflict of interest.

## **13. Non-Compliance**

### ***For SDB Group Personnel***

- 13.1 Non-compliance may lead to disciplinary actions including termination of your employment contract or contract for service. Further legal action may also be taken against you in the event your non-compliance results in the harm or detriment of SDB Group's interests or reputation.

### ***For SDB Group Business Associates***

- 13.2 Non-compliance may lead to penalties including suspension or termination of your contract without prejudice to other legal rights SDB Group may have. Further legal action may also be taken in the event your non-compliance results in the harm or detriment of SDB Group's interests or reputation.

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