



ANTI-BRIBERY AND CORRUPTION POLICY

LOTUS KFM BERHAD

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- 1. Statement of Policy**
 - Lotus KFM Berhad is committed to conducting business dealings with integrity, and is committed to implementing and enforcing systems that ensure corrupt gratification is prevented. The Group has adopted a zero-tolerance approach against all forms of bribery and corrupt gratification and its associated activities. The Board of Directors and Top-level Management are committed to acting professionally, fairly and with integrity in all of the Group's business dealings and relationships in whichever country we operate.
 - The Group shall constantly uphold all laws relating to bribery & corruption in all the jurisdictions where we operate. We are bound by the laws of Malaysia, in particular the Malaysian Anti-Corruption Commission Act 2009 ("MACCA 2009"), pertaining to our conduct both at home and abroad.
- 2. Objective**
 - This Anti-Bribery & Corruption Policy ("Policy") sets out Lotus Group's overall position and responsibilities on bribery and corruption in all its forms that might confront the Group in its day to day operations.
- 3. Scope of policy**
 - This policy applies to all Directors and Employees of the Group.
- 4. Definitions**
 - "**Bribery & Corruption**" means any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (MACCA). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illegally influence the decisions or actions of a person who is in a position of trust within an organisation.
 - "**Employees**" include permanent, temporary, contract and part-time employees under the Group.
 - "**Directors**" include all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors.

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- “**Business Associate**” means an external party with whom Lotus has, or plans to establish, some form of business relationship. This may include customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.
- “**Lotus**” or “**Group**” means Lotus KFM Berhad and its group of companies.

5. Anti-Bribery and Corruption Policy

- All forms of bribery and corruption are prohibited. The Group upholds a zero-tolerance approach.
- Bribery may take the form exchange of money, goods, services, property, privilege, employment position or preferential treatment. Employees and its business associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of the Group or the persons involved in the transaction.
- No employee or external party will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour.
- The Group is also committed to conducting due diligence checks on prospective personnel, particularly as it relates to appointments to positions where a more than minor bribery or corruption risk has been identified.

6. Gifts

- Any gifts on account of celebrations, customary gift during festive seasons, occasional business meals or gifts at corporate social events, which are not excessive and do not in any way influence the business decisions, are allowed. It shall accords with the limits of threshold, frequency and approval mandate as pre-determined by the Group.

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- 7. Hospitality**
- Acts of hospitality offered or received from customers and third parties as part of business networking are acceptable, provided that they are appropriate, with legitimate business purpose, and not affect or be perceived as affecting business judgment.
- 8. Facilitation Payment**
- Employees are expected to notify their immediate superior when encountered with any requests for a facilitation payment. In addition, if a payment has been made and Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. They must also ensure that the payment has been recorded transparently.
 - The Group recognises that despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their or their family's personal security at risk. Under these circumstances, the following steps must be taken:
 - a) Keep any amount to the minimum;
 - b) Ask for a receipt, detailing the amount and reason for the payment;
 - c) Create a record concerning the payment; and
 - d) Report this incident to your line manager.
- 9. Charitable / Political Contribution / Sponsorship**
- Any donations or contributions for charitable or political purpose made on behalf of Lotus must be approved with the Group's approval mandate.
- 10. Employee responsibilities**
- As an employee of the Group, you must ensure that you read, understand and comply with the information contained within this Policy, and with any training or other anti-bribery and corruption information you are given from time to time.
 - All employees and those under our control are equally responsible for the prevention, detection and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.

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- If you have reasons to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, you must notify the Board Chairman or the Audit Committee Chairman by emailing to kfm.whistleblower@kfm.com.my.

11. Record Keeping

- The Group shall keep detailed and accurate financial and other records, and shall have appropriate internal controls in place to act as evidence for all payments made. We shall declare and keep a written record of the amount and reason for gifts, entertainment, hospitality and travel accepted and given, including donations, sponsorships and expenses of similar nature by whatever name called, and understand that such expenses are subject to managerial review.

12. Training and communication

- The Group will provide relevant anti-bribery and corruption training as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this Policy, and will be asked annually to formally accept in writing that they will comply with this Policy.
- Group Human Resources shall maintain records to identified which employees have received training, and produce, communicate and update the training schedule in conjunction with this Policy.

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- 13. Reporting of policy violations**
- Any employee who, in the course of their activities relating to their employment at Lotus, encounter actual or suspected violations of this Policy are required to report their concerns using the reporting channels stated in Whistleblowing Policy.
 - 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 any investigation. Retaliation in any form against Lotus employees where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any Lotus employees found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which Lotus may pursue.
- 14. Sanctions for non-compliance**
- Non-compliance as identified by the audit and any risk areas identified through risk assessments undertaken shall be reported to the top management and Audit Committee in a timely manner in accordance with the level of risk identified.
 - Lotus regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this policy. For Lotus employees, non-compliance may lead to disciplinary action, up to and including termination of employment.
 - For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that Lotus's interests have been harmed by the results on non-compliance by individuals and organisations.
- 15. Continuous improvement**
- Any need for improvements shall be applied immediately. Employees are encouraged to offer their feedback on this Policy if they have any suggestions on how it may be improved. Regular assessments of the Policy should be carried out to ensure its scope, polices, procedures and controls match the bribery and corruption related risks faced by the Group.

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16. Review of the Policy

- This Policy will be reviewed at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements, or more frequently should there be material changes to the said legislation and regulations or circumstance of the business, if any.