

BCM Alliance Berhad

**Anti-Corruption
Policy & Guidelines**

DATE: 15 May 2020

Version: 1.0

DEAR STAKEHOLDERS,

It is a privilege to write to you as the Chairman of the Board of BCM Alliance Berhad (“BCM or the Group”). On behalf of the Board of Directors (“Board”), it gives me much pleasure to present to you our Anti-Corruption Policy & Guidelines (“ACPG”).

Our ACPG has been developed as part of the BCM’s initiative to comply with Malaysian Anti-Corruption Commission (Amendment) Act 2018. Having a clear and unambiguous policy statement on the Company’s position regarding bribery and corruption forms the cornerstone of an effective integrity management system. This ACPG should thus be read in conjunction with our Company’s various policies & guidelines.

BCM is committed to conduct our business dealings with integrity. This means avoiding practices of bribery and corruption in all forms of our Company’s daily operations. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business. Full compliance to both the spirit and the letter of this ACPG is mandatory and should be maintained using a principle-based approach.

Our Group will also take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit.

If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, then you should contact our Compliance Officer. You will not be penalised for speaking out!

Datuk Chin Goo Chai
Chairman
BCM Alliance Berhad

CONTENTS

INTRODUCTION

Part 1: APPLICATION AND DEFINITIONS

Part 2: GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY

Part 3: DEALING WITH PUBLIC OFFICIALS

Part 4: CORPORATE SOCIAL RESPONSIBILITY, SPONSORSHIPS AND DONATIONS

Part 5: POLITICAL CONTRIBUTIONS

Part 6: FACILITATION PAYMENT

Part 7: MONEY LAUNDERING

Part 8: DEALING WITH THIRD PARTIES

Part 9: RECRUITMENT OF EMPLOYEES

Part 10: WHISTLEBLOWING POLICY

INTRODUCTION

BCM has adopted a zero-tolerance policy against all forms of bribery and corruption. The BCM's Code of Conduct and Ethics ("CCE") sets out BCM's core principles in this regard. The BCM's ACPG elaborate upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

This ACPG is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide employees with a basic introduction to how BCM combats bribery and corruption in furtherance of the BCM's commitment to lawful and ethical behaviours at all times. Some of the guidelines are designed to prevent situations in which bribery and corruption practices may take root.

Engaging in bribery or corrupt practices can have severe consequences for you and for BCM. You may face dismissal, fines and imprisonment, and the company may face damage to reputation, financial loss and disbarment from business and other negative consequences.

An electronic version of this ACPG is available at www.bcmalliance.com.my.

PART 1: APPLICATION AND DEFINITIONS

1.1 APPLICATION

This ACPG is intended to apply to every BCM's employee and Director. In the case that BCM is a non-controlling co-venturer and associated companies to joint venture companies, these companies are encouraged to adopt similar principles and standards.

Although this ACPG is specifically written for BCM employees and Directors, BCM expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of BCM will comply with it in relevant part when performing such work or services.

1.2 CONFLICTS

If a law conflicts with a policy as set out in this ACPG, you should comply with the law.

If you perceive that a provision in this ACPG conflicts with the law in your jurisdiction, you should consult with your General Manager or Compliance Officer, rather than disregard this ACPG without consultation.

If a local custom or policy conflicts with this ACPG, you are called upon to comply with this ACPG. If you have any questions about any of these conflicts, please consult your General Manager or Compliance Officer.

1.3 DEFINITIONS

References to "you" in this ACPG refer to any person to whom this ACPG applies. Where more specific references are used (such as "employee"), the more specific reference is intended.

PART 2: GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY

2.1 "NO GIFT" POLICY

BCM has adopted a "No Gift" Policy whereby, subject only to certain narrow exceptions, BCM employees and Directors, family members or agents acting for or on behalf of BCM employees, Directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts.

BCM requires employees and Directors to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealing between BCM and external parties as a gift can be seen as a bribe that may tarnish BCM's reputation or be in violation of anti-bribery and corruption laws.

A conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in BCM for his or her personal benefit, including the benefit of his or her family/household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by BCM from its employees and Directors in the performance of their duties and obligations.

It is the responsibility of employees and Directors to inform external parties involved in any business dealings with BCM that the Company practices a "No Gift" Policy and to request the external party's understanding for and adherence to this policy.

2.1.1 RECEIVING GIFT

BCM is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging BCM's "No Gift" Policy, some external parties may still insist in providing gifts to BCM employees, Directors and/or their family members in certain situations which do not fall within the general exceptions.

Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of BCM is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever BCM's business relationship with the third party. Please refer BCM's Human Resource ("HR") Policy for any other circumstances.

In these limited circumstances, employees are expected to immediately record the gift in the **Gift Activity Reporting Form** provided by HR Department for submission to your General Manager who will then decide whether to approve the acceptance of the gift or require it to be returned.

Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then clearly the General Manager cannot approve the acceptance of said gift (applicable also to Directors). In this situation, the gift must be politely returned with a note of explanation about BCM's "No Gift" policy.

In the event the General Manager approves the acceptance of the gift, he/she must also determine the treatment of the gift whether to:

- a) donate the gift to charity;
- b) hold it for departmental display;
- c) share with other employees in the department; or
- d) permit it to be retained by the employee.

In determining the above, the General Manager is expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position/seniority of the person(s) providing the gift, the business context, reciprocity, applicable laws and cultural norms.

2.1.2 PROVIDING GIFTS

Generally employees are not allowed to provide gifts to third parties.

2.1.3 EXCEPTIONS TO THE "NO GIFT" POLICY

Although generally BCM practices a "No Gift" Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:

- a) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property).
- b) Gifts from BCM to external institutions or individuals in relation to BCM's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event).

- c) Gifts from BCM to employees and Directors and/or their family members in relation to an internal or externally recognised company function, event and celebration (e.g. in recognition of an employee's/Director's service to the company).
- d) Token gifts of nominal value normally bearing BCM or company's logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company's brand building or promotional activities; and
- e) Gifts to external parties who have no business dealings with BCM (e.g. monetary gifts or gifts in-kind to charitable organisations)

Even in the above exceptional circumstances, employees and Directors are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles set out below:

- Conscientiously maintain the highest degree of integrity
- Always exercise proper care and judgment
- Avoid conflicts of interest
- Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of BCM, and
- Comply with applicable laws, regulations and BCM policies and procedures

DO's and DON'Ts

DO's	DON'Ts
<p>BCM's employees and Directors must inform third parties involved in business dealings with BCM that the company practices a "No Gift" Policy and to request the aforementioned parties to respect and adhere to BCM's policy.</p> <p>BCM's employees and directors are prohibited from accepting or providing gifts to third parties unless it falls under the general exceptions provided under this policy.</p> <p>BCM's Heads of Department must exercise proper care and judgment when handling gift activities in determining the appropriateness of the gift, in particular when dealing with public officials and public agencies/bodies as strict rules apply.</p> <p>Employees are required to submit the Gift Activity Reporting Form to his/her General Manager who will then decide whether to approve the acceptance of the gift or require the gift to be returned.</p>	<p>There are certain types of gifts which are never permissible and BCM's employees and Directors should immediately refuse if it involves the following:</p> <ul style="list-style-type: none"> • Any gift of cash or cash equivalent except for in very limited circumstances. Cash equivalent may be in the form of vouchers, discounts, coupons, shares, commission and etc. • Any gifts involving parties engaged in a tender or competitive bidding exercise. • Any gifts that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required. • Any gift that would be illegal or in breach of local or foreign bribery and corruption laws.

2.2.1 PROVIDING ENTERTAINMENT

BCM recognises that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external clients. As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

In some countries, the act of hospitality through entertainment is a central part of business etiquette. However, this may not necessarily be the case in every country or in all circumstances as it may create a negative perception if observed or known by others despite selfless motives behind the entertainment provided.

Employees and Directors should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore you should always exercise proper care and judgment when providing entertainment to third parties especially when it involves public officials to ensure compliance with local anti-bribery and corruption laws.

Employees and Directors are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery.

You are required to comply with the policies and procedures of HR Department and maintain expenses within the limits of your entitlement, when carrying out entertainment activities.

Any entertainment activities that would involve public officials shall require prior approval from the General Manager.

Specific rules governing employees' and Directors' conduct when dealing with Public Officials is set out in greater detail in Part 3 of this ACPG.

2.2.2 RECEIVING ENTERTAINMENT

BCM recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.

However, it is important for employees and Directors to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard BCM's reputation, but also to protect employees and Directors from allegations of impropriety or undue influence.

You are required to comply with the policies and procedures of HR Department in relation to receiving entertainment from third parties.

In no event, however, may you or any of your family/household members accept entertainment in exchange for an exercise or non-exercise of your BCM's authority or otherwise to the detriment of BCM.

DO's and DON'Ts

DO's	DON'Ts
<p>BCM's employees and Directors must ensure that the entertainment offered is legitimate, modest and not lavish or excessive or extraordinary.</p> <p>BCM's employees and Directors are prohibited from offering or providing entertainment with a view to improperly creating undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether directly or indirectly, may be construed as an act of bribery.</p> <p>You must be aware and educate yourself on local anti-bribery and corruption laws when dealing with public officials as in some countries providing entertainment to public officials has the potential to be regarded as bribery.</p> <p>Eligible employees are required to comply with the policies and procedures of HR, and maintain expenses within the limits of their entitlement, when carrying out entertainment activities.</p> <p>Any entertainment activities that would involve public officials shall require the prior approval of the respective General Manager.</p>	<p>There are certain types of entertainment activities which are never permissible and you should immediately refuse if it involves the following:</p> <ul style="list-style-type: none"> • Any entertainment that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the entertainment provided some expected or desirable outcome is required. • Any entertainment activities that would be illegal or in breach of local or foreign bribery laws. • Any entertainment activities that would be perceived as extravagant, lavish or excessive or may adversely affect the reputation of BCM. • Any entertainment activity that is sexually oriented or may otherwise tarnish the reputation of BCM.

2.3.1 CORPORATE HOSPITALITY

Corporate hospitality is generally defined as “corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”. Third parties may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.

Corporate events and activities include but are not limited to sporting events, gala dinners, concerts or activity based events such as golf tournaments.

Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate vs. illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.

Corporate hospitality would be illegitimate in the following situations:

- If it provides an advantage to another person if offered; or
- If it is given with the intention of inducing the person to perform a relevant function improperly; or
- If there is knowledge that acceptance of the advantage would in itself be improper performance

Transparency International has advocated corporate hospitality arrangements/activities conformed to the following basic principles:

- **Transparency**, in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept
- **Proportionality** i.e. the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient’s official capacity and not provided in his/her personal capacity
- **Reasonableness** in ensuring that the corporate hospitality is not lavish; and
- **Bona fide**, where the intention to offer and/or provide the corporate hospitality is done with good and legal intentions

2.3.2 PROVIDING CORPORATE HOSPITALITY

BCM recognises that providing corporate hospitality to its stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.

There may be occasions whereby BCM may issue complimentary invitations in the form of passes, tickets or invitations to its clients, key stakeholders and other third parties to attend events organised or sponsored by BCM and other events organised or sponsored by external organisations.

While providing corporate hospitality is a reflection of BCM’s courtesy and goodwill, the respective General Manager must exercise proper care to protect the Company’s reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures.

There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to a BCM's corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve public officials.

There are various local and international anti-bribery and corruption laws that impose strict restrictions on the value and level of entertainment and corporate hospitality to be accorded to third parties, particularly when it is offered to government or public officials.

BCM is committed to comply with applicable laws governing the provision of corporate hospitality to third parties, especially when it involves public officials, and therefore expect employees to undertake the following:

- to publicise and make clear BCM's policy on providing and receiving corporate hospitality;
- to obtain all necessary approvals for the issuance of complimentary tickets or passes to corporate hospitality events in accordance with the BCM's Limits of Authority ("LOA") for Anti-Corruption Management;
- to expressly notify the recipients in writing that all complimentary tickets or passes are NON-TRANSFERABLE (e.g. the terms and conditions for use to be printed on the tickets, passes or invitations). In the event that the recipients are unable to attend, he/she is expected to return the tickets or passes to BCM.

The unauthorised transfer of tickets or passes to persons other than the named recipient may signify to others that the invitation was extended to the recipient in his/her personal capacity.

All expenses incurred to provide the corporate hospitality must be properly documented, receipted and recorded in BCM's records.

2.3.3 RECEIVING CORPORATE HOSPITALITY

As a general principle, BCM strictly prohibits employees and Directors from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise (for e.g. contractors, vendors, suppliers and etc.).

Notwithstanding the above, BCM recognises that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for employees and Directors to exercise proper care and judgement before accepting the hospitality.

This is not only to safeguard the Company's reputation, but also to protect employees and Directors from allegations of impropriety or undue influence. If you have any doubts on the appropriateness of a corporate hospitality offered by an external party for e.g. a contractor or supplier, you should either decline the offer or consult your General Manager.

You are required to comply with the policies and procedures of HR Department in relation to receiving corporate hospitality from third parties.

DO's and DON'Ts

DO's	DON'Ts
<p>You must ensure that the corporate hospitality accepted from an external party is legitimate, modest and not lavish or excessive or extraordinary in nature.</p>	<p>There are certain types of corporate hospitality activities which are never permissible and you should immediately refuse if it involves the following:-</p>
<p>You must exercise proper care and judgment before offering or providing corporate hospitality to third parties to ensure compliance with applicable laws and regulations, in particular when it involves public officials.</p>	<ul style="list-style-type: none">• Corporate hospitality offered by parties currently engaged in a BCM's tender or competitive bidding exercise.• Corporate hospitality offered that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the corporate hospitality provided some expected or desirable outcome is required.• Any corporate hospitality activities that would be illegal or in breach of local or foreign bribery laws.• Corporate hospitality which is lavish or excessive or may adversely affect the reputation of BCM.• Any corporate hospitality activities that are sexually oriented or may otherwise tarnish the reputation of BCM.• Any corporate hospitality extended to family members.
<p>Any corporate hospitality activities that would involve public officials shall require the prior approval of the respective General Manager.</p>	
<p>If you have any doubts whether the corporate hospitality offered by an external party for e.g. a contractor or supplier is appropriate or reasonable in nature, you should either decline the offer or consult your General Manager.</p>	

PART 3: DEALING WITH PUBLIC OFFICIALS

3.1.1 DEALING WITH PUBLIC OFFICIALS

A “public or government official” includes, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises.

Caution must be exercised when dealing with public officials as the laws of bribery and corruption in some countries are more stringent and provides for stricter punishments. Providing gift, entertainment or corporate hospitality to public officials or their family/household members is generally considered a “red-flag” situation in most jurisdictions.

You are prohibited from paying for non-business travel and hospitality for any government official or his/her family/household members without permission from your General Manager.

If approval is obtained for you to provide gift, entertainment or corporate hospitality to public officials, you must ensure that the gift, entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity. You must also be aware of local laws governing the activity and to ensure compliance.

DO's and DON'Ts

DO's	DON'Ts
<p>Do ensure that to provide or to offer to provide entertainment to public officials is unlawful under local laws, as it might be deemed as bribery in certain countries or companies. If it is unlawful or if certain requirements must be met, you must ensure to fully comply with the law.</p>	<p>Do not try to circumvent any laws or policies with regards to gifts and entertainment, even if it means that BCM might lose out on business opportunities as a result.</p>
<p>Do ensure that proper care and judgment is exercised to confirm that there is no conflict of interest. It is unethical to offer or provide entertainment in exchange for some future benefit or result.</p>	<p>Do not be too complacent with certain public officials or local customs that you might think you are familiar with. Do not fail to check that there are no changes to local laws or company policies.</p>
<p>Do ensure that due diligence is carried out to confirm that the public official is the appropriate person based on his/her official position. Any entertainment extended must commensurate with the public official's official position and not based on his/her popularity, political standing or your familiarity with the public official.</p>	<p>Do not approve any requests by the public official to transfer the gift or entertainment to his family members or friends that are not authorised to accept the gift or entertainment. Doing so might be perceived as bribery even with the least strict of laws or policies. Kindly advise the public official that "transfer" of gifts or entertainment is against BCM's policy.</p>
<p>Do ensure that the entertainment provided to the public official is reasonable and modest in value, and commensurate with the official designation of the public official. This is to avoid any perception of bribery.</p>	<p>Do not offer to provide gifts, entertainment or hospitality that are illegal or unduly dangerous, indecent, sexually oriented or disrespectful.</p>
<p>Do ensure that any red-flag is resolved before giving out gift or entertainment.</p>	<p>Do not exceed the monetary threshold as specified in the policies and procedures of HR Department.</p>
<p>Do ensure that all documentation (including invoices and receipts) are properly recorded and kept.</p>	<p>Do not act on your own accord when providing entertainment to public officials.</p>
	<p>Do not conceal, alter, destroy or otherwise modify any documentation that relates to entertainment or corporate hospitality accorded to public officials.</p>

PART 4: CORPORATE SOCIAL RESPONSIBILITY, SPONSORSHIPS AND DONATIONS

As a responsible corporate citizen, BCM is committed to cultivating a strong relationship with the local communities in which we live and work by contributing to the well-being of the people and the nation. It is however important that all Corporate Social Responsibility (“CSR”), sponsorships and donations are made in accordance with BCM’s policies and receive prior authorisation from BCM’s Management or the Board where applicable.

4.1 CORPORATE SOCIAL RESPONSIBILITY

As part of our commitment to CSR and sustainable development, as a general matter, BCM provides such assistance in appropriate circumstances and in an appropriate manner. However, such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome. The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain whether any public officials are affiliated with the organisation.

Any red-flags must be resolved before committing any funds to the programme. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients.

4.2.1 SPONSORSHIPS AND DONATIONS

All employees must ensure that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the CCE, including in particular, the prohibition on bribery.

BCM needs to be certain that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.

In accordance with BCM’s commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:

- ensure such contributions are allowed by applicable laws
- obtain all the necessary internal and external authorisations
- be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds
- be accurately stated in the company’s accounting books and records
- not to be used as a means to cover up an undue payment or bribery

Examples of red-flags to look out for are as follows:

- The proposed recipient/organisation has affiliations with a Public Official or their relatives are involved
- The contribution is made on behalf of a Public Official
- There is a risk of a perceived improper advantage for BCM
- The proposed recipient is based in a high risk country, the request comes from a high risk country or the activity takes place in a high risk country

BCM requires employees to use good judgment and common sense in assessing the requests.

4.2.2 DUE DILIGENCE

Before making a commitment to a CSR activity, sponsorship or donation requested by external stakeholders, you must first conduct proper due diligence to ensure that the requests are legitimate and that any red-flags raised are resolved prior to committing the funds.

The request is evaluated against BCM's guidelines on CSR, sponsorships and donations and meets the following criteria:

- There is no risk of a perceived improper advantage for BCM
- The proposed recipient is a legitimate organisation and proper due diligence are made/background checks
- The proposed recipient/organisation does not have affiliations with a Public Official

If the request meets the above requirements and it is reasonably ascertained to be legitimate in nature, you can proceed to prepare a recommendation/memorandum seeking Management's approval as per the LOA for Anti-Corruption Management.

DO's and DON'Ts

DO's	DON'Ts
Ensure that the activity is in line with BCM's policy and guidelines on CSR, sponsorships and donations. and does not fall under the above-stated red-flags,	Do not commit any funds without first undergoing the proper processes and procedures to evaluate the legitimacy of the request.
Ensure that the request has been carefully examined for legitimacy and that an appropriate level of due diligence has been conducted on the requesting party.	Do not try to circumvent any guidelines, rules or procedures put in place by making charitable contributions as a subterfuge for illegal payments.
Ensure that the proposed recipient is a legitimate organisation and the funding of the CSR activity is in compliance with the applicable laws and not made to improperly influence a business outcome or perceived to provide an improper advantage to BCM.	Do not conceal, alter, destroy or otherwise modify any relevant information, which in the normal course of business, may raise potential red-flags that would require additional investigation, particularly if it involves public officials.
If the request comes from a high risk country or the proposed activity takes place in a high risk country or the proposed recipient is Government owned or involves a Public Official or their relatives, the request must undergo a more stringent due diligence process to determine whether there are any red-flags raised.	
Any red-flags must be resolved before committing any funds to the programme.	

PART 5: POLITICAL CONTRIBUTIONS

As a matter of general policy, BCM does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.

If any contribution is made, it must be permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return and must be accurately reflected in BCM's books and records.

Good faith payments to a government entity such as payments to the host country's federal treasury required by contract or law, are not prohibited, so long as they are made with due care to the government entity and not to any individual official.

BCM encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by BCM for a personal political contribution.

PART 6: FACILITATION PAYMENT

6.1 MAKING FACILITATION PAYMENT

Facilitation payment is payment made to secure or expedite the performance by a person performing a routine or administrative duty or function. Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.

BCM prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.

All persons must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If you receive a request or if you are offered facilitation payments, you must report it to your General Manager.

6.2 EXCEPTION TO MAKING FACILITATION PAYMENT

However, there are certain situations or circumstances where you are faced with having to make facilitation payments in order to protect your life, limb or liberty. In dangerous situations like this, you are allowed to make payments but you must immediately report to your General Manager. Making facilitation payment in such a situation is the only exception which can be used as a defence when faced with allegations of bribery and corruption.

PART 7: MONEY LAUNDERING

Money laundering defined as occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.

BCM strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.

Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislation are severe and can include extradition and incarceration in foreign jurisdictions.

To avoid violating anti-money laundering laws, employees are expected to always conduct counterparty due diligence to understand the business and background of BCM's prospective business counterparties and to determine the origin and destination of money, property and services.

Counterparty means any party that BCM is currently in relationship with or intends to do business with in the future, either on a regular or one-off basis. Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, JV partners and any other business partners.

A number of initiatives can be taken to strengthen anti-money laundering governance, including the following:

Adequate training and compliance programmes should be conducted to ensure understanding and strict compliance to any internal anti-money laundering policies

- Employees frequently involved in decision making process concerning counterparties particularly in matters of financial transactions, should be properly acquainted with the applicable laws and regulations related to money laundering;
- Employees should be attentive to and report suspicious behaviour by customers, consultants and business partners using proper reporting channels. In-house experts on anti-money laundering should always be consulted;
- Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees; and
- Periodic audits should be conducted and a process should be developed to follow all available accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.

PART 8: DEALING WITH THIRD PARTIES

8.1 DEALING WITH THIRD PARTIES

BCM's dealings with third parties, which include customers, contractors, suppliers, agents, consultants, joint venture partners, introducers/government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of the CCE. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

BCM expects that all third parties acting for or on its behalf to share the Company's values and ethical standards as their actions can implicate BCM legally and tarnish the Company's reputation. Therefore, where we engage third parties, such as customers, contractors, agents, intermediaries or joint venture

partners, we are obligated to conduct appropriate counterparty due diligence to understand the business and background of BCM's prospective business counterparties before entering into any arrangements with them to ensure that we are dealing with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.

To help ensure that we only do business with third parties that share BCM's standards of integrity, we must do the following:

- Conduct due diligence to assess the integrity of BCM's prospective business counterparties. Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved;
- All third parties are made aware of the CCE, ACPG and our expectations of them; and
- Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance

If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or red-flags are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress.

BCM requires its employees to use good judgment and common sense in assessing the integrity and ethical business practices of third parties and have provided the above as a guideline.

8.2.1 DEALING WITH CUSTOMERS, CONTRACTORS AND SUPPLIERS

BCM is committed to uphold the highest standard of ethics and integrity in all aspects of its sales and procurement activities. BCM should avoid dealing with any customers, contractors or suppliers known or reasonably suspected of corrupt practices or known or reasonably suspected to pay bribes.

BCM must ensure that all sales and procurement activities are in line with the Group's policies and procedures that are applicable in your jurisdiction, which include:

- Due diligence of customers, contractors and suppliers are undertaken before they dealt with BCM
- Customers, contractors and suppliers are made aware of and understand ACPG and CCE and that they will comply accordingly
- All commercial contracts and invitations to bid shall incorporate the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices
- All commercial contracts with major customers, contractors and suppliers to incorporate a provision, where possible, BCM retains the right to audit third party compliance with this ACPG and CCE's provisions

BCM must conduct due diligence on prospective customers, contractors and suppliers to confirm whether or not these external parties have in place anti-bribery programmes and that they will not engage in any improper practices. The scope and extent of the due diligence required will vary depending upon the circumstances of each proposed transaction.

Screening should be conducted on the company, its directors and top management and this can be done through the due diligence process and procedures.

BCM should also monitor significant customers, contractors and suppliers as part of their regular review of the performance of the third parties. BCM has the right to terminate their services in the event that these third parties pay bribes or act in a manner which is inconsistent with this ACPG and CCE.

If any red-flags are raised, these issues must be resolved. If it is not possible then the Company must be barred from being on the list of registered customers / contractors / suppliers and/or disqualified from participating in any BCM's business dealings.

8.2.2 DUE DILIGENCE PERFORMED ON CUSTOMERS, CONTRACTORS AND SUPPLIERS

BCM in particular, the procurement function must follow the following procedures when dealing with customers, contractors and suppliers:

- Perform a risk assessment using a risk-based approach
- Undertake due diligence on the third party depending on the level established by the risk analysis
- Preparing and maintaining appropriate written documentation of the due diligence and risk assessment performed

What to look for in anti-bribery due diligence:

- Has bribery taken place historically?
- Is it possible or likely that bribery is currently taking place?
- If so, how widespread is it likely to be?
- What is the commitment of the board and top management of the target to countering bribery?
- Does the target have in place an adequate anti-bribery programme to prevent bribery?
- What would the likely impact be if bribery, historical or current, were discovered after the transaction had been completed?

PART 9: RECRUITMENT OF EMPLOYEES

BCM provides equal opportunity for any qualified and competent individual to be employed by the company from various multicultural and multiracial background.

The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.

In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees who would be in management positions, as they would be tasked with decision-making responsibilities.

If you find or suspect that another person subject to this policy has violated or about to violate this policy or applicable law, whether deliberately or inadvertently, you must forthwith report the same, in writing, to your General Manager or HR Department.

PART 10: "RED-FLAGS" OF BRIBERY

During transaction or business arrangement, you are expected to ask questions and look out for corruption and bribery "red-flags". If you are unsure of the next course of action, you should consult the Compliance Officer and should not ignore the red flags. Transaction may not proceed if there are "red flags" yet to be resolved.

Examples of “red-flags” include but not limited to the followings:

- a. The other party has a reputation or history of bribery;
- b. Excessive reliance on third-party agents or “middleman”;
- c. Unusual payment terms, such as large upfront payment or via agents;
- d. Large amount of cash payment;
- e. Payments to private account or offshore bank account;
- f. Large charity contribution or sponsorship;
- g. Gifts – lavishness, secrecy, inaccurate records;
- h. Request for invoice with amount different from the payment;
- i. The other party refuses to disclose its owners, partners or principals;
- j. The other party refuses to sign conflict of interest declaration or disclose any connection with public officer.

PART 11: WHISTLEBLOWING POLICY

BCM encourages openness and transparency in its commitment to the highest standard of integrity and accountability.

If you make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken. In addition, employees who whistleblowing internally will be also be protected against detrimental action for having made the disclosure, to the extent of reasonableness and practicable.

Any alleged or suspected improper conduct must be disclosed using the procedures provided for in the BCM’s Whistleblowing Policy as adopted for your jurisdiction, a copy of which is available www.bcmalliance.com.my.

Should you require further clarification with regards to this ACPG, depending on the subject concerned, you should consult our Compliance Officer or your General Manager. Alternatively, you can email your queries to ir@bcmalliance.com.my.