



Since 1967

**LFE CORPORATION BERHAD (579343-A)**

**ANTI-BRIBERY AND  
CORRUPTION POLICY**

## **1. INTRODUCTION**

LFE Corporation Berhad (“the Group” or “LFE”) has adopted a zero-tolerance approach towards any form of bribery and corruption in our business conducts. LFE group is committed to acting professionally, transparently, and with integrity in all business dealings and relationships as well as implementing and enforcing effective systems to counter bribery and corruption.

## **2. SCOPE AND APPLICABILITY**

LFE is committed to the highest standards of ethical conduct and integrity in business activities. The Anti-Bribery and Corruption Policy (hereinafter referred to as the “Policy”) elaborate upon those principles, providing guidance to all level of employees and directors (“LFE Persons”) concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

This ABC Policy shall be read together with LFE’s other internal policies/procedures/guidelines/manuals including but not limited to LFE’s Code of Conduct, Employee Handbook and Whistleblowing Policy.

## **3. OBJECTIVE**

The objective of the Policy is to set out the Group’s position on bribery in all its forms and matters of corruption that might confront the Group in its day to day operations. The Policy also provides information and guidance to the Directors and Employees on standards of behaviour to which they must adhere to and how to recognise as well as deal with bribery and corruption.

## **4. DEFINITION**

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.

Corruption is the abuse of entrusted power for private gain.

## **5. GENERAL PRINCIPLES**

### **A. 'NO GIFT' POLICY**

LFE Persons may not, directly or indirectly, offer, promise, agree to pay, authorise payment of, pay, give, or accept to or from any third party in order to secure or reward an improper benefit or to procure an unfair business advantage

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

#### *Providing Gift*

Although generally practices a "NO GIFT" Policy, LFE acknowledges that Corporate Gifts and Festive or ceremonial gifts may be an appropriate business practice. However, the Corporate gifts, Festive or ceremonial gifts may be given to our Business Partners or other parties provided it fulfils all of the following conditions:

- be given in an open manner
- not create an expectation that the employee or SRB will receive something in return
- clearly given as an act of appreciation or common courtesy associated with festive seasons or other ceremonial occasions;
- the type of gift and its value must commensurate with the occasion and in accordance with general business practice
- it complies with applicable laws

#### *Accepting Gift*

LFE Persons are expected to decline gifts with the exceptions being:

- corporate gifts of nominal/appropriate value
- festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions
- exchange of gifts at the company-to-company level, such as gifts exchanged during conferences or events.

## **B. HOSPITALITY AND ENTERTAINMENT**

The Group recognises that it is a common practice within the business environment to provide entertainment to strengthen business and commercial relationships. Such courtesies are allowed if they are not lavish in the light of accepted business practices of the relevant businesses that the Group operates in and is not intended to improperly influence the decisions of the person involved. LFE Persons must always bear in mind that perception is more important than facts and therefore our Persons are expected to always exercise proper care and good judgement when providing entertainment to external parties, especially when it involves public officials.

Malaysia and international anti-bribery and anti-corruption laws impose strict restrictions on the value and level of corporate hospitality to be accorded to public officials. LFE is committed to complying with all applicable laws and our Persons must exercise special caution when providing corporate hospitality to public officials. Hospitality and Entertainment that are below the amounts are generally acceptable and need not be declared, provided that such hospitality and entertainment have not been given in order to secure or reward an improper benefit or improper performance of a function, activity or to procure an unfair business advantage.

## **6. DONATIONS, SPONSORSHIPS AND CHARITABLE CONTRIBUTIONS**

The Group acknowledge the importance of Corporate Social Responsibility ("CSR") programme which demonstrates our support and commitment to charitable and social causes. While charitable contributions are encouraged, all contributions made pursuant to the CSR programme are made in accordance with LFE policies and receive prior authorization from LFE Management or the Board where applicable.

As set out in the ABC Policy, LFE Persons 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 CoCE, including in particular, the prohibition on bribery.

LFE Persons must never use donations or sponsorships to obtain business or advantage of any kind or unduly influence the outcome of a business decision or cause others to perceive it as such. The use of donations or sponsorships in this manner is strictly prohibited under this Policy.

## **7. HUMAN RESOURCES MANAGEMENT**

The Group recognises the value of integrity in all level of organisation. The Group's recruitment, training, performance evaluation, remuneration, recognition and promotion for all employees, shall be designed to recognise integrity.

LFE Persons should not place themselves in a situation where they are made to compromise the Group's interest by a current or prospective business partner, vendor, customer or a Government Official in a hiring process.

While there is no absolute prohibition on hiring persons recommended by others, but such hiring decisions should not be part of any decision that is related to the Group's commercial transactions or seek an unfair advantage in any business negotiation. The recruitment should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. Offers of employment should not be given in exchange for or to reward any benefit received by the Group or personal benefit.

If a current or prospective business partner, vendor, customer or a Government Official offers to provide a benefit to the Company or any Group entity in exchange for the hiring of a suggested person, or if any such person threatens to take adverse action if the suggested person is not hired, the correct approach to take is not to hire the suggested person. This is crucial to ensure that no element of corruption is involved in the hiring of Personnel.

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 Head of Department.

## **8. DEALING WITH CONTRACTORS AND SUPPLIERS**

In line with the general principles, LFE committed to upholding the highest standard of ethics and integrity in all aspects of its procurement and tender activities. LFE staff participating in the exercise in any way whatsoever, shall not receive gifts or Hospitality according to general principles stated above. LFE Persons must ensure that all procurement activities are in line with the procurement policies and procedures that are applicable in your jurisdiction.

All third parties, including agents, suppliers and joint venture partners should be made aware of this Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

## **9. CONFLICTS OF INTEREST**

Conflict of interest is when a person's own interests either influence, have the potential to influence, or are perceived to influence with objectivity in performing duties or exercising judgement for or on behalf of the Group. It can be financial, professional, family or other interests. LFE Persons must avoid situations in which their personal interest would conflict with their duties and responsibilities. In situations where conflict of interest arises, LFE Persons are required to immediately declare the matter to their immediate supervisor or head of department.

## **10. RESPONSIBILITIES**

As an LFE Person, or even third parties connected with LFE, you must ensure that you read, understand, and comply with the information contained within this policy to minimise the risk of actual or perceived bribery or corruption by employees or third parties. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All Parties are required to avoid any activity that might lead to, or suggest, a breach of this policy. Any employee who breaches this policy may face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with non-employee parties if they breach this policy.

## **11. REPORTING AND RAISING CONCERNS**

If you suspect that there is an instance of bribery or corrupt activities occurring in relation to LFE, you are encouraged to raise your concerns at as early a stage as possible. Reporting should be made without delay as prompt reporting and resolution of corruption or bribery issues in many cases are required by applicable law or regulatory requirements. Any queries or uncertainties whether a particular act constitutes bribery or corruption may be raised with the head of department or board of director. All concerns raised are taken seriously and LFE is committed to ensuring that all matters raised are appropriately investigated, to the extent that this is possible. All reports will be treated confidentially. LFE promise that no individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy to encourage openness and eliminate the reporter's worries about possible repercussions.

## **12. CONTINUOUS IMPROVEMENT**

The Board shall monitor the legal and regulatory regimes where it operates and any changes to LFE's business environment and risks to ensure that this Policy continues to remain relevant and appropriate.