



FREIGHT MANAGEMENT HOLDINGS BHD
(Company No. 380410-P)

Anti-Bribery & Anti-Corruption (ABAC) Policy

1. POLICY STATEMENT

- 1.1 Freight Management Holdings Bhd (FMHB)** shall conduct all of our business in an honest and ethical manner. We take a **zero-tolerance** approach to Bribery and Corruption and are committed to act professionally, fairly and with integrity in all our business dealings and relationships.
- 1.2 FMHB** will uphold the relevant laws to counter bribery and corruption in all the jurisdictions in which we operate, and implementing and enforcing effective systems to counter corruption.
- 1.3** The relevant laws (including its amendments) are (but not limited to)
- I. the Malaysian Penal Code (revised 1977),
 - II. the Malaysian Anti-Corruption Commission Act 2009 (revised 2018),
 - III. the Malaysian Companies Act 2016.
- 1.4** These laws prohibit acts of bribery and corruption, and mandate that companies establish and maintain adequate procedures to prevent bribery and corruption.

2. DEFINITIONS

- 2.1 “Agent”:** An individual or a company paid by **FMHB** to act on its behalf for a business transaction.
- 2.2 “Bribery”:** An offering, promising, giving, accepting or soliciting of an advantage as an inducement for 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.
- 2.3 “Corruption”:** Corruption is the abuse of entrusted power for private gain. It refers to the act of giving or receiving of any gratification or reward in the form of cash or in-kind for performing a task to influence improperly the action of another party.
- 2.4 “Conflict of Interest”:** Occurs when an individual or organization is involved in multiple interests, one of which could possibly corrupt, or be perceived to corrupt, the motivation for an act in another.

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- 2.5 “Facilitation Payments”:** A form of corruption in which payment is made with the purpose of expediting or facilitating or securing the performance of a person performing a routine or administrative duty or function. 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.
- 2.6 “FMHB”:** Freight Management Holdings Bhd and its group of companies.
- 2.7 “Gifts & Hospitality”:**
- I. **Gifts** – May comprise of money, vouchers, goods and services. Gifts should only be given without expectation of consideration or value in return.
 - II. **Hospitality** – May comprise of invitations given or received to social functions, sporting events, meals, travel, lodging, entertainment and the likes. The expenses incurred in the hospitality event should be “bona fide” and the host must be present (otherwise it is treated as a gift). Bona fide means “good faith”. It refers to an action or something done without fraud, deceit, or knowledge of a lien or superior claim by another.
- 2.8 “Intermediary”:** Includes but is not limited to Agents, distributors, consultants, sales representatives, implementation partners, sales partners.
- 2.9 “Kickback”:** A form of negotiated bribery in which a commission or other remuneration is paid to the bribe-taker in exchange for an advantage or other services rendered.
- 2.10 “Public Official”:** Officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and officers or employees of enterprises which are mandated by a public body or a state-owned enterprise to administrate public functions.
- 2.11 “Third Party”:** An individual and/or an organization performing work and/or services for or on behalf of **FMHB**. This includes actual and potential customer, supplier, agent, business associates, intermediary, government and public body, including their advisor, representative and official, politicians and political parties.

3. APPLICABILITY

- 3.1** This policy shall apply to all the Directors and Employees (including all directly contracted to **FMHB** on an employment basis either permanent and/or on temporary basis) and relevant Third Parties of the Company. This Policy shall be communicated to them at the outset of our business relationship and as appropriate thereafter.
- 3.2** This policy applies in all countries or territories where **FMHB** operates. Where local customs, standards, laws or other local policies apply that are stricter than the provision of this policy, the stricter rules must be complied with. However, if this policy stipulates stricter rules than local customs, standards, laws or other local policies, the stricter provisions of this policy shall apply.

4. GIFTS AND HOSPITALITY

- 4.1** Everyone shall exercise proper care and judgment in respect of offering, giving or receiving any Gifts and Hospitality or similar benefits on a case to case basis.
- 4.2** As a general guide, the offering, giving or receipt of gifts or hospitality is not prohibited, if the following requirements are met:
- a) it is not made with the intention of influencing a person and/or third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits;
 - b) it complies with local law;
 - c) it is given / received in **FMHB**'s name, and not in the name of an individual;
 - d) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - e) it is appropriate in the circumstances. For example, during festive season, annual dinner event, etc;
 - f) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
 - g) it is given openly, not secretly; and
 - h) gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the Directors.
- 4.3** All Gifts & Hospitality given or received shall be reported to the Head of Department / Director, and recorded in the Gift Register within 5 working days. (Refer **GEDC Manual** for Gift, Entertainment, Donation & Corporate Hospitality guidelines).

5. FACILITATION PAYMENTS & KICKBACKS

- 5.1** Facilitation payments and kickbacks fall within the interpretation of gratification under the MACC Act, and therefore constitute as an offence. **FMHB** do not condone any facilitation payment and kickbacks.

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6. RESPONSIBILITIES

- 6.1 All Directors, Employees and Third Party have the responsibility to read, understand and comply with this policy and shall at all times, avoid any activity that might lead to or suggest a breach of this policy.
- 6.2 This policy should be read in conjunction with the Code of Ethics & Conducts of **FMHB**, Whistleblowing Policy of **FMHB** and the Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendment (“MACCA”).

7. WHISTLEBLOWING

- 7.1 Any director, employee or Third Party who knows of, or suspects a violation of the policy, is encouraged to whistle blow or report the concerns through the mechanism set out under **FMHB** Whistleblowing Policy available at compliance@fmgloballogistics.com or armac@fmgloballogistics.com

8. RECORD KEEPING

- 8.1 The respective Employees, Head of Department or Director shall be responsible to ensure that all accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties, should be prepared and maintained with strict accuracy and completeness which is subjected to managerial & internal audit review. No accounts must be kept ‘off-book’.

9. OFFENCES & PENALTIES

- 9.1 Anyone in **FMHB** who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct and / or where needed be reported to the relevant authorities.
- 9.2 **FMHB** reserves its right to terminate contractual relationships with business associates/Third Party if they breach this policy and / or to report the matter to the relevant authorities as needed.
- 9.3 Under the Malaysian Anti-Corruption Commission (MACC) Act, 2009 (revised 2018), bribery and corruption are criminal offences and the legal consequences include severe fines and/or imprisonment of up to twenty (20) years.

10. TRAINING

- 10.1 This policy will be communicated to all our employees and Third Party. Our employees and Third Party must read and understand **FMHB**’s position on anti-corruption.
- 10.2 Adequate training on **FMHB**’s anti-corruption approach shall be provided to our employees.

11. GOVERNANCE (Monitoring, Review & Continual Improvement)

- 11.1** The board of directors has overall responsibility for reviewing and ensuring this policy complies with the legal and ethical obligations.
- 11.2** The Head of Department/Manager has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness (including identifying risks, taking improvement actions and performing the necessary due diligence). The Management staff at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.
- 11.3** The Company will establish and put in place appropriate performance measures and reporting systems to monitor performance against metrics and compliance with the relevant policies, procedures and controls.
- 11.4** The Head of Internal Audit will prepare annual plan, conduct internal audit and report to the Audit and Risk Management Committee the implementation of this policy on its suitability, adequacy, effectiveness and recommendation for improvements.

This Anti-Bribery & Anti-Corruption Policy is reviewed, approved and adopted by the Board of Directors on 8th April 2020.