

ERL Maintenance Support Sdn Bhd

Co. Reg. No. 199901023674 (498574-T)

MEMORANDUM

To: ALL STAFF	Originator:	Thomas Baake
	Department:	CEO's Office
	Tel:	+(60) 3-2267-7676
	Fax:	+(60) 3-2267-7667
	Website:	www.emskliaekspres.com
	E-mail:	Baake@kliaekspres.com

 Reference Number:
 OMG.STF.M11100.1001.A

 Date:
 21st July 2020

<input type="checkbox"/> Urgent	<input type="checkbox"/> Review	<input type="checkbox"/> Comment	<input type="checkbox"/> Reply	<input type="checkbox"/> Retain
<input checked="" type="checkbox"/> Action	<input checked="" type="checkbox"/> Info	<input type="checkbox"/> Note	<input type="checkbox"/> Call me	<input type="checkbox"/> Sign & Return

 Attachment(s): ☒ None ☐ As listed below

ANTI BRIBERY & CORRUPTION [ABC] POLICY

Dear All,

References are made to the previous Anti-Bribery and Corruption Announcement email dated 4th March 2020 from YTL Group Board Of Directors [mdoffice@ytl.com.my] and YTL Mandatory Anti-Bribery and Corruption Online Training which has been completed by all E-MAS employees in April 2020.

Please be informed that with immediate effect ERL Maintenance Support Sdn Bhd (E-MAS) is adopting YTL Anti-Bribery and Corruption Policy [Refer: <http://ytl.com/abcpolicy.asp>] while waiting for the release of ERL Group Anti-Bribery and Corruption Policy [currently being reviewed].

We would like to take this opportunity to remind all employees that we have zero tolerance policy towards bribery and corruption. Please look into your respective department's work processes and make necessary changes to accommodate the requirements of the ABC Policy, if any. Kindly refer to your Head of Department for further inquiries.

Enclosed is the Frequently Asked Questions [FAQ] on the ABC Policy for your reference.

Thank you.

Yours sincerely,



Thomas Baake
 Chief Executive Officer

Attachment: FAQs on ABC Policy [Ref. No.: G00.OMG.M11700.ZP.1001.A]
 cc: {none}

FREQUENTLY ASKED QUESTIONS ON THE ANTI-BRIBERY & CORRUPTION LAWS AND POLICIES

Elements of the Law and the ABC Policy

Q1. What is considered a bribe?

A bribe can be anything that is beneficial to the person receiving in exchange for some form of benefit or advantage to the person giving. A very simple way of putting it is giving or receiving kickbacks.

Q2. What specific acts fall under the jurisdiction of this new law under S.17A of MACC Act 2009?

This new law affects any giving of bribes (or gratification) by anyone in the organisation (or even through related third parties) to:-

- ☐ Obtain or maintain a business or contract; or
- ☐ Obtain some form of benefit or advantage for the business of the Company.

Q3. Which individuals within the YTL Group will fall under the jurisdiction of this new law?

Everyone is affected by this new law. From the newest employee who joined the Company, to the highest level of management, everyone plays a role in complying with this new anti-corruption law.

Q4. Who are third parties or "Other Applicable Persons" in the ABC Policy?

It can be any party whose work is related to the YTL Group, particularly where their actions will impact the YTL Group. They can be any party who acts on our behalf for any matters.

For example, it can be your work permit agents, your shipping company helping with custom clearance, your independent contractors, consultants, sales agents, runners for government licence applications or any other services for which third parties are hired to act on behalf of the YTL Group.

Q5. What is improper influence with regard to this new law?

An improper influence means an attempt to cause someone to do something to your favour that is not morally correct. It is an attempt to secure something that you otherwise would not be able to if you have not given that gift, hospitality or entertainment.

For example, you gift a person a Patek Phillipe watch in the hope that he will convince his manager to approve the higher volume purchase of products from your company.

Q6. What do you mean by intention to exert improper influence?

You give a gift or hospitality in the hope that they will reciprocate by awarding you with something of value that can be the contract that you have been negotiating, or to assist you to meet your sales target by ordering a higher volume of products from your company.

One example of exerting improper influence is by giving fully paid exclusive VVIP tickets to the nearest F1 Grand Prix in the hope that they will give you the contract to build their new office building.

The timing, value (monetary or non-monetary), type and circumstances of any gift of

hospitality given will determine whether there was any intention to exert improper influence. If it is not proportionate or reasonable to be giving such gifts and hospitality, then it may be deemed to be given with the intention to exert improper influence.

Q7. What is a conflict of interest?

A conflict of interest is when you have two competing interests. As an employee, you have to protect the Company's interests by ensuring that you do what is best for the Company. It becomes a conflict of interests where you have personal stakes in a matter that may cost you to act contrary to the interests of the Company.

For example, you have a relative who is a building subcontractor that provided a higher quotation. Instead of awarding that project to the quotation with the best value, you award it to your relative because of familial relations. When that happens, it is a conflict of interests.

As for public officials, if you do an action which will cause them to act contrary to the interests of their role, for example, lobby for your company's contract even though there is another contract with more favourable terms than yours, then you place that public official in a position of conflict of interests.

Q8. How does conflict of interest apply in this new law?

When you give or offer a gift, hospitality or entertainment to another person who holds the power of influence or decision-making in any business proposal, benefit or advantage to your business, you place them in a conflict of interest against the interests of their employer. Your gift, hospitality or entertainment makes them feel inclined or obliged to persuade their management to award you with the business, make a decision that is in your benefit or favour, or carry out an act or refrain from carrying out an act that will eventually become advantageous to your company.

Where a person who receives or offered any gift, hospitality or entertainment from you is placed in such a position of conflict of interests, such act of giving such gift, hospitality or entertainment by you can be interpreted to be with the intention to exert improper influence. Where it benefits the company, the company will fall under S.17A of MACC Act 2009.

Gifts, Hospitality & Entertainment

Q9. Are gifts considered a bribe?

A gift that is given with the intention and hopes that the person will do something for your favour, benefit or advantage, is an improper intention. Such gifts given with improper intention is considered to be a bribe. It does not have to be a high value gift, it can be something that a person truly likes or appreciates. For example, you gift an exclusive imported bonsai plant to a bonsai enthusiast.

Q10. Can I give gifts to public officials?

As long as it is not for purposes of influencing them, or to gift them something by reason of their designation, token gifts of small and modest value are still acceptable. However, if public officials decline to accept the gift, the gift should be returned to the respective heads of department.

Q11. Can I give gifts during festival periods as a token?

Giving gifts during festival periods as a customary courtesy is not improper as long as it is given across the board and not specially given to selected persons because of certain actions that they have carried out for you or for the Company that has given rise to a business advantage. A gift is a token if it is inexpensive, customary and not out of the ordinary for the occasion.

Q12. What is a reasonable and modest value for any gifts, hospitality or entertainment that is not improper?

To put it simply, it should not be extravagant. The timing, value (monetary or non-monetary), type or circumstances that any gift, hospitality or entertainment is given will affect the interpretation of whether it is proper or improper. It will vary from one type of goods and services to another. One way to gauge this is to consider whether it is proportionate and reasonable to the occasion to provide such gifts, hospitality or entertainment. The ultimate outcome or effect of such provision should never be purposed to obtain any form of business, benefit or advantage to the company or organisation.

Q13. What if the gift is a personal gift to me because I did something for that party?

You will have to gauge the intention of that personal gift and also, the value of that gift. The prudent thing to do is to declare it to your immediate supervisor or HOD, or to share it with your colleagues so that it is not specially given to you to thank you for your actions for them – it can arouse suspicion particularly if it is a very expensive or exclusive gift to you. An example of a personal gift (non-exhaustive) will be a friend giving you a small birthday present not because of your work designation but on a purely personal basis.

Q14. If I take a business associate/key personnel out for a meal as a gesture of gratitude, is that considered a bribe?

If it is to thank the key personnel for going out of their way just so that you obtain some form of business or advantage, then it is considered a bribe.

However, if it is just a token meal that is inexpensive but just an appreciation of something that would have happened anyway, then it is not a bribe.

For example, you have sent your car for a standard car wash and paid your standard amount for the car wash. If the attendant does an excellent job and you would like to buy them a pack of Nasi Lemak to thank them because they skipped lunch to wash your car; that is not corruption. It is however corruption if you tell the attendant that you will buy them Nasi Lemak if they vacuum your car which is not part of the car wash package.

Q15. How do you determine the difference between relationship-building activities and corruption?

Relationship building means the attempt to truly get to know someone without expecting something in return. You can have a cup of coffee or a meal with that person just to know their background a little better.

However, if you invite the person to an expensive meal and entertainment with the purpose to influence them and cause them to give you some kind of business or advantage for your Company's business, that is corruption.

Q16. What do you mean by facilitating genuine promotional, business or educational meetings?

For example, you want to show them your capability of running a power plant, you can invite them to your nearest power plant and make payment for their expenses to make the trip there. The purpose is not to influence them, it is to enable you to show your capabilities.

Or if you want them to learn about your program or latest technology. You can invite them and educate them on the program or technology and make payment for any expenses incurred.

Such expenses incurred for any accommodation, food and travel should not be extravagant and should not have extra elements to suggest any form of luxury or comfort provided in such promotional, business or educational meetings (for example, a special guided tour that is unrelated to the business initiative).

Q17. How do you prove there was no intention to bribe or conduct an act of corruption?

You can prove that there is no intention to bribe or corrupt if your actions do not allude that you expect some form of reciprocal returns by way of awarding or keeping a business, or obtaining some form of benefit or advantage for yourself or the Company.

YTL Group-Related Initiatives

Q18. Why is the ABC Online Course so important for me as an employee of the YTL Group?

The ABC Online Course is to help you understand the laws and the YTL Group's policy. It also has interactive sessions and quizzes that will help you address the different elements.

Failure to complete the ABC Online Course on time will affect your performance review and payment of any performance-based remunerations.

Q19. Who do I speak to about navigating the ABC Online Course?

You can contact the FrogAsia dedicated team at support@frogasia.com

Q20. How do I report a case of bribery or corruption while ensuring my own safety and security at work?

You can send a report with evidence and reasoning of any genuine suspicious actions to your immediate supervisor or head of department. If your supervisors and managers are the persons in question, you can report it to the HR Department, Internal Audit or Legal in that specific order.

The YTL Group also has a whistleblowing channel that you can go to submit your report and evidence of any corruption.

The YTL Group will keep all such reports confidential and ensure that the employee will not suffer any retaliation or repercussions from the persons reported.

Employees who have made such reports are recommended not to talk or discuss it with other employees and not encourage gossip mongering amongst colleagues.

The YTL Group has a clear policy that there will be no backlash or punishment on the employee who makes a genuine reports relating to bribery and corruption.

Q21. Who do I reach out to if I have questions about the new law and the implications of it?

If you have questions about the new law and implications, reach out to your immediate supervisor or your head of department as the first level. If you still do not obtain a clarification

that you require, you can contact the Human Resources Department, Internal Audit or the Legal Department in that specific order.

Q22. What happens if I do not want to sign the integrity pledge?

It will be taken into consideration as part of your performance as it is vital in your work performance that you comply with laws. Refusal to sign the integrity pledge raises a question on your integrity.

Remember that our YTL Group's core values are first and foremost: Honesty, and also, Moral Responsibility.

Q23. Why is this new law important and how can I safeguard myself as an employee of the YTL Group?

This new law is important because it impacts you both personally and in terms of your employment. If an act of bribery is committed, you can also be personally implicated and charged for your actions. As for your employment, if you have breached the YTL Group's ABC Policy or the Code of Conduct and Business Ethics, it is a serious misconduct which may attract the penalty of dismissal from employment if you are found to have committed such wrongdoing.

You can safeguard yourself as an employee by:-

- (a) observing the YTL Group's Code of Conduct & Business Ethics, the ABC Policy and all other policies which are implemented;
- (b) adhere to and ensure all internal and external processes implemented are carried out with diligence and care;
- (c) ensure that all record keeping and evidence of processes as well as other sensitive documents are accurate and properly kept;
- (d) participate in the YTL Group's activities related to the anti-bribery and corruption initiatives such as signing the Integrity Pledge, attending trainings, activities and completing the ABC Online Courses on time; and
- (e) when you notice a genuine breach of laws or any of the YTL Group's policies, to report it immediately with evidence to your head of department or immediate supervisor or through the YTL Group's whistleblowing channel..

Q24. How can Directors and those in Senior Management exercise their due diligence in ensuring that their subordinates don't commit an act of bribery or corruption?

All employees of the YTL Group should carry out the due processes that are in place, which includes obtaining the requisite approvals from Senior Management where it is required.

Senior Management also relies on the managers and heads of department whom they have entrusted to act in the interests and processes of the YTL Group. The managers and heads of department who have visibility of the employees' day-to-day activities and process management, should collectively ensure that subordinates do not commit any acts of bribery or corruption.