



SMART AXIATA COMPANY LIMITED

**ANTI-BRIBERY AND
ANTI-CORRUPTION POLICY**

Effective Date: 24/08/2020

Version: 1.0

Policy Owner: Risk Management & Compliance Department

7. Non-compliance to ABAC Policy

- 7.1 Failure to comply with this Policy may subject an individual to disciplinary action, up to and including termination of employment, in accordance with Smart Axiata's handbook of internal policies.
- 7.2 Non-compliance to this Policy or any such violation should be escalated immediately through the available reporting channels, including the Speak Up channel. Such escalations will be investigated confidentially by the assigned Investigations Unit of the Internal Audit Division.
- 7.3 Relevant ABAC provisions are included in third-party contracts, including the right to conduct audits and inspections on its third parties and business partners, as well as a clause on termination, if the partner/party fails to comply with Smart Axiata's ABAC Policy, relevant laws and regulations. If the third parties and business partners are found to have breached this ABAC Policy, or any laws or regulations, such breach may result in termination of the contract(s) and if required, be subject to legal proceedings.
- 7.4 Smart Axiata is committed to protect, within reason and means, anyone who reports or raises a concern in good faith, and those who participate in or conduct an investigation, from retaliation.

8. Bribery



with the intention of influencing a person's actions



misuse of position or power for gain to oneself

What is bribery?

- 8.1 Bribery is an act of giving/offering or receiving/accepting or promising to give/offer or receive/accept anything of value or gratification **with the intention of influencing** a person's actions or decisions to obtain or retain an improper advantage.

What is corruption?

- 8.2 Corruption **involves the misuse of position or power for gain** to oneself, relatives or associates, by directly or indirectly offering, giving, receiving or promising a gratification of value (which could be financial or non-financial), to/from any person one is dealing with to obtain or retain business or to gain an improper business advantage which is illegitimate, immoral or incompatible with ethical standards.

9. What is anything of value or gratification?

Gratification or bribe may be in any form, monetary or otherwise, to obtain or retain an undue business or personal advantage, which includes but is not limited to:

- a. Cash or cash equivalent, for example, money, loan, valuable security (shares, bonds etc.), rebates, commissions, discounts and jewellery or precious metal;
- b. Gifts and hospitality that are or deemed to be lavish, for example, providing or receiving 5-star hotel and first-class air travel, tour packages for self and/or family;
- c. Promises or the award of contract, employment or business opportunity to any Stakeholder (directly or indirectly) in breach of our governance instruments; and
- d. Offers of free services of whatever nature to any Stakeholder.



Cash or cash equivalent, gifts and hospitality, promises or offers of services

10. Gifts, Entertainment and Corporate Hospitality

10.1 All Stakeholders as well as their family members, who are acting for, and on behalf of Smart Axiata, directly or indirectly, are discouraged from giving or accepting gifts, entertainment and corporate hospitality.

10.2 Smart Axiata recognizes that occasional acceptance or offer of modest gifts, entertainment and corporate hospitality may be a legitimate contribution to good business relationships. All Stakeholders are required to observe the following **nine (9) principles** before accepting or providing gifts, entertainment and corporate hospitality:

Intention – Gifts, entertainment and corporate hospitality should be offered in ‘good faith’ and not convey an expressed or perceived “advantage” or “benefit”, monetary or otherwise, to the individual or entity making or receiving the offer.

Proportionality – Gifts, entertainment and corporate hospitality should be proportionate to the nature, scale and complexity of Smart Axiata’s business activities. This would be determined on a case-by-case basis through taking into account all relevant considerations, including cross-cultural sensitivities.

Value – Gifts, entertainment and corporate hospitality should not be lavish, excessive, outside the norm or exceed the maximum or equivalent threshold stipulated in the GDS Policy or any other Smart’s Governance Instruments.

Timing – During an active or anticipated procurement or tender exercise, all Stakeholders participating in the exercise in any way whatsoever, must not:

- a) receive gifts or hospitality of any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender transaction;
- b) provide anything other than a corporate gift and modest hospitality to any external/third party related to the transaction;
- c) be involved in any discussions regarding business or employment opportunities, for personal benefit or the benefit of a business associate;
- d) abuse the decision-making and other delegated powers given by top management; and
- e) bypass normal procurement or tender process and procedure.

Reciprocity – Gifts, entertainment and corporate hospitality would not offend or transgress the rule of reciprocity in customary gift-giving, namely whether the act of giving can reciprocate the act of receiving.

Doubtful parties – Gifts, entertainment and corporate hospitality to perceived doubtful parties (such as those without prior business dealings or relevance to Smart Axiata’s business activities), would be inherently inappropriate.

Culture – All Stakeholders need to be particularly aware of cross-cultural differences in what is considered appropriate in accepting and giving gifts, entertainment and corporate hospitality in the countries where it conducts business activities, transactions or dealings. Utmost care must be taken to ensure any gift, entertainment and corporate hospitality that is to be accepted or given, which may be considered appropriate under local culture, is in accordance with or conforms to this Policy.



Common examples of modest and acceptable gifts are fruit baskets, flowers, caps, mugs, pen drives, and other tokens of Smart Axiata corporate gifts that are priced within the approved threshold.



Advance approval should be obtained prior to expenditure on gifts, entertainment and corporate hospitality by Smart Axiata employee.

If you are unsure about gifts, entertainment and corporate hospitality, please contact your **line manager and the Risk Management & Compliance Department** for advice.

Conflict of interest – Gifts, entertainment, and corporate hospitality should not give rise to actual/real or perceived conflict of interest.

Coverage – This Policy covers offers/acceptance, or promises to offer/accept gifts, entertainment and corporate hospitality to or from any of the Stakeholders.

11. Donations and Sponsorships

Smart Axiata occasionally makes donations and participates in sponsorships in Cambodia. Such donations or sponsorships shall not violate our core values, policies and applicable laws.

- 11.1 The donations or sponsorships should not be made to secure any improper advantage or retain any business relationship.
- 11.2 Good judgement and due diligence must be exercised to assess the purpose and intention of the donation or sponsorship, and the reputation or status of the beneficiaries. All sponsorships or donations shall be offered and made transparently in accordance with Smart Axiata's Governance Instruments.

12. Corporate Social Responsibility ("CSR")

- 12.1 Smart Axiata actively supports various types of CSR activities in Cambodia in which we operate, to ensure the sustainability of society and our environment.
- 12.2 CSR activities must be carefully examined and assessed for legitimacy and genuineness in not being carried out to improperly influence a business outcome.
- 12.3 The proposed recipient must be a legitimate organization and the rightful recipient. Therefore, appropriate due diligence must be conducted to ascertain whether any Public/Government Officials are affiliated with the organization. There should be a transparent selection and decision-making process, with proper records kept.
- 12.4 CSR activities must be approved and implemented in accordance with Smart Axiata's Governance Instruments wherein the activities are structured to ensure that the intended purpose is met and benefits are extended to the intended recipient(s).

13. Facilitation Payments

- 13.1 Facilitation payments are gratification or inducements to secure or expedite a routine function which one person shall be or is responsible for performing as part of his/her daily roles and responsibilities. The payments are usually small payments paid unofficially to expedite routine administrative processes on matters such as visas, permits, licenses, and custom clearance.
- 13.2 Stakeholders are prohibited to directly or indirectly offer, promise, give, solicit or accept, agree to accept, or attempt to obtain anything that might be regarded as a facilitation payment in any form.
- 13.3 There may be certain exceptional situations or circumstances where Stakeholder(s) may have to make facilitation payments under duress or coercion, including life-threatening and actual or potential loss of life, limb and liberty situations. However, it must be immediately reported to the respective designated RMC department and appropriate document(s) of such incident along with the reasons must be recorded. The assigned RMC shall take immediate action(s) as may be required.



Donation is something contributed or given (in cash or in kind) by Smart Axiata as charity without expecting any advantages or returns.



Sponsorship is financial support given to an association, organisation or event for branding display or other benefits in return, e.g. tickets/passes, hospitality etc.



CSR is a self-regulated and ethics-driven activity to ensure the sustainability of society and our environment through voluntary activity.

14. Conflict of Interest

- 14.1 All Stakeholders have a contractual obligation and are accountable for decisions made or actions taken, which should always be in the best interest of Smart Axiata.
- 14.2 All Stakeholders shall recognize and avoid situations of conflict of interest (actual, real, perceived or potential) to maintain integrity and develop trust by making professional and impartial business decisions.
- 14.3 Conflict of interest arises when an individual's objectivity is compromised or perceived to have been compromised, and there is a conflict between his/her professional duties or responsibilities at Smart Axiata and his/her personal interest.
- 14.4 If any conflict of interest is identified, even if it is perceived or potential, the Stakeholder must immediately declare and report the situation(s) as referred in the Smart Axiata's Governance Instruments. The Stakeholder shall also take the necessary actions to immediately distance, recuse or remove himself/herself from the situation.

To make impartial decisions in the best interest of Smart Axiata by recognising actual or potential conflict of interest.

15. Dealing with Third Parties or Business Partners

- 15.1 Smart Axiata's commercial success is built upon knowing our business partner who shares the same ethical values and beliefs. Smart Axiata builds trust and a constructive business relationship or enters into a contractual agreement with third parties which include vendors, suppliers, agents and intermediaries, contractors and sub-contractors, consultants, customers and any person or organization working for on behalf of Smart Axiata.
- 15.2 Smart Axiata adopts the following guiding principles - "CODE" - in our Third Party ABAC Framework to ensure Smart Axiata only enters or establishes business relationships with third parties that share the same ethos as theirs:

Create awareness – Raise the third party's awareness and understanding of Smart Axiata's core values and ethos through training.

On-going monitoring – Smart Axiata monitors third parties with active contractual relationships to identify and assess potential risks, and to determine whether they consistently demonstrate professionalism, provide exceptional performance and conduct business with integrity and transparency.

Due diligence – Before engaging or establishing business relationships with third parties, an appropriate level of due diligence must be performed and documented, proportionate to the associated risks. If "red flags" are detected during the due diligence, the assessor must escalate and resolve the issues with all the relevant functions and personnel before engaging the third party.

Expectations – Agreements and contracts with third parties shall include Smart Axiata's expectations to embrace and observe Smart Axiata's existing code of conduct and this Policy.

16. Interactions with Public/Government Officials and Politically Exposed Persons ("PEPs")

- 16.1 Smart Axiata operates in an industry with regular interactions with Public/Government Officials (including regulators) and PEPs, who are in a position (actual or perceived) to make or influence decisions that have an effect or impact on its business and operations.
- 16.2 Smart Axiata shall never improperly influence a Public/Government Officials and PEPs to seek or retain business advantage and will make committed efforts to transact in a fair and transparent manner. A high degree of caution and diligence shall be exercised in all dealings and interactions with regulators, Public/Government Officials and PEPs.

This document and its contents are the property of Smart Axiata. This policy has been approved by Smart Board of Director. Smart reserves right to make amendment to this policy without prior notice.

16.3 When dealing or interacting with Public/Government Officials and PEPs, employees are required to be aware of, apprised of and adhere to Smart Axiata's code of conduct, ABAC procedures and applicable laws, and all rules and regulations governing interactions with Public/Government Officials.

Who is defined as a Public/Government Official?

16.4 The definition of Public/Government Officials will vary depending on the legal jurisdictions of the countries. However, for this Policy, a Public/Government Officials, whether domestic or foreign, shall be construed as:

- ▶ Any person who holds a legislative, executive, administrative or judicial office whether appointed or elected; and
- ▶ Any person acting in an official capacity for or on behalf of a government department or agency or instrument of a government.

What is the meaning of Politically Exposed Persons ("PEPs")?

16.5 Politically Exposed Person(s) shall be construed as individuals, who have been entrusted with prominent public functions, including but not limited to:

- ▶ Public/Government officials;
- ▶ Political party officials such as senior officials appointed to roles in major political parties domestically or in foreign countries; and
- ▶ Any relatives or associates of a Public/Government Official or political party official, including but not limited to, spouses, parents, siblings, children and spouses' parents, persons who are nominees or employees of a Public/Government Official or an organisation in which such Public/Government Official, his relatives or associates have a controlling interest.

Things to keep in mind while interacting with Public/Government Officials and PEPs

16.6 All Stakeholder(s) must be conscious of the importance of taking adequate care to comply with Smart Axiata's policies and national and foreign laws and regulations relating to bribery and corruption involving Public/Government Officials and PEPs.

16.7 All Stakeholders, who are required to interact with Public/Government Officials (domestic and foreign) and PEPs for or on behalf of Smart Axiata shall exercise due care by observing "PLOD" principles as explained below:

Perception – All our interactions with Public/Government Officials or PEPs must be conducted professionally and aligned with the Smart Axiata's values and code of conduct.

Legitimacy – All our interactions with Public/Government Officials or PEPs shall always be aligned with the Smart Axiata's corporate objectives.

Objectivity – All our interactions with the Public/Government Officials or PEPs shall be conducted objectively in furtherance of our corporate values and commercial relationships.

Declaration – All our interactions with Public/Government Officials, or PEPs shall be declared to the RMC department in accordance to the ABAC procedures.

16.8 While maintaining professional working relationships with Public/Government Officials and PEPs, all Stakeholders shall exercise due care and diligence in all the dealings.

16.9 The Stakeholder(s) shall also not use/receive private funds for, on behalf of or to benefit the Group and/or any of the Stakeholder(s), while dealing with Public/Government Officials, PEPs or any of their relatives or associates.

17. Political Contributions and Donations

17.1 Smart Axiata prohibits any kind or form of political contributions or donations. Stakeholder(s) must not use Smart Axiata's funds and resources to make contributions or donations to any

This document and its contents are the property of Smart Axiata. This policy has been approved by Smart Board of Director. Smart reserves right to make amendment to this policy without prior notice.

political campaigns, political parties, political candidates or their respective offices/officials or any Stakeholder affiliated organisations.

17.2 Stakeholder(s) are prohibited from acting as follows:

- a. Using their position to influence any person to make any political contributions or to support politicians or their parties in any country;
- b. Making any contribution or incurring any expenditure using Smart Axiata's resources to benefit any political campaign, party or politician in any country;
- c. Using Smart Axiata's personnel, assets, facilities, equipment and resources to support any government party candidates or political campaigns; and
- d. Contributing/sponsoring or donating to a charity of a Public/Government Official's choice.

18. Mergers, Acquisitions and Investments

18.1 Smart Axiata invests, acquires, merges or leverages other forms of investments to extend its reach to new businesses, geographical areas and countries.

18.2 Any form of investment to expand Smart Axiata's footprint exposes Smart Axiata to inheriting potential fraud, bribery and corruption risks etc. Therefore, appropriate controls must be in place to mitigate, ring-fence or minimize those associated risks such as conducting comprehensive due diligence.

18.3 ABAC due diligence shall be applied to all investments on a risk-based approach, with the extensiveness and comprehensiveness of the due diligence proportionate to the investment and the perceived likelihood of risk. Due diligence processes shall take place before and post-acquisition and investment.

18.4 Smart Axiata or its Board and relevant committees overseeing mergers, acquisitions or investments should seek to develop a full understanding of bribery and corruption risks related to the target companies.

18.5 The working committee handling the merger, acquisition or investment shall ensure that the target (i.e. a company that is a target for merger, acquisition or investment) has the equivalent of Smart Axiata's Governance Instruments.

19. Avoiding Nepotism

19.1 Smart Axiata adheres to a transparent and fair manner in its recruitment process and does not discourage multiple family members from working for Smart Axiata. However, Smart Axiata strictly condemns nepotism and is committed to minimizing potential, actual or perceived conflicts of interest which may arise when an employee reports to another employee or is bound by work authority in addition to family relationships, intimate relationships and such similar relationships.

19.2 Smart Axiata also reserves the right to take relevant action when relationships of its employees impact work ethics.

19.3 Any requests/references for employment received from public officials, third parties or customers shall undergo regular recruitment due process and shall be identified separately (irrespective of whether appointed or rejected). Acceptance or offer of anything of value or in kind for such cases is strictly prohibited.

19.4 In case any department intends to hire a relative of a Public/Government Official it should be declared to the RMC department or CFO/CEO, and due diligence should be conducted on the individual before recruitment.

20. Anti-Money Laundering/Counter Terrorism Funding

- 20.1 Smart Axiata strictly prohibits money laundering/terrorism funding under the applicable laws and regulations in Cambodia.
- 20.2 All employees are expected to be mindful of the risk that Smart Axiata's business may be used for money laundering/terrorism funding activities and must familiarize themselves with the Smart Axiata's Policy.
- 20.3 When in doubt or if any suspicious transactions or potential cases of money laundering/terrorism funding are observed, employees shall immediately notify their immediate superior and RMC department and go through Whistle blowing (Speak up) channel.
- 20.4 Any non-compliance with money laundering/terrorism funding laws, whether those of Cambodia, will be investigated diligently. Appropriate and immediate actions shall be taken based on the outcome of the investigation to ensure we remain committed to Smart Axiata's Governance Instruments.



Smart Axiata has established a global Speak Up channel and website at <https://wrs.expolink.co.uk/axiata>

This reporting channel is available 24 hours a day, 7 days a week.

21. Record-keeping and Documentation

- 21.1 Smart Axiata is committed to maintaining accurate and detailed books and records that always fairly reflect all transactions of Smart Axiata. All transactions shall be accounted in a transparent manner and accurately reflect and disclose the business rationale, purpose, substance and legality of all local and cross-border transactions, payments and expenses such as Gifts, Entertainment, and Corporate Hospitality received by or given to Stakeholders, Public/Government Officials, and others.
- 21.2 Smart Axiata affirms that it will not:
 - a. Alter, conceal any information, falsify and omit or misrepresent the facts of any record;
 - b. Encourage or allow anyone else to compromise the accuracy and integrity of Smart Axiata's records; and
 - c. Engage in any scheme to defraud anyone.
- 21.3 Our records management and retention policies shall also ensure records are maintained to meet the relevant legal, tax and regulatory requirements and the records that are no longer needed or are beyond the statutory retention period are securely disposed of.
- 21.4 All employees should take adequate measures to retain information that may be relevant for litigation purposes or be subject to a legal prohibition or stipulation until they are authorised in writing to do otherwise by the relevant department.

22. Speak Up Channel

- 22.1 Smart Axiata is committed to upholding the highest standards of lawful and ethical conduct, by demonstrating honesty, fairness and accountability in all our conduct and dealings.
- 22.2 To encourage employees, suppliers, business partners, contractors, customers and other Stakeholders to voice their concerns, including actual or suspected misconduct, illegal or unethical behavior, Smart Axiata has adopted Speak Up channel, one of the Axiata group's initiative.
- 22.3 This reporting channel is available 24 hours a day, 7 days a week. In addition, reported concerns can be submitted in native languages within Smart Axiata's footprint.
- 22.4 An individual can opt to remain anonymous if he/she wishes and his/her identity will be protected in accordance with this Whistleblowing/Speaking Up Policy and Procedures at all stages of the investigation.

- 22.5 An individual shall ensure that there is a reasonable belief or basis for the concern and the disclosure is made in good faith and not for the personal gain or motivated by ill or malicious intention. Mere rumor or hearsay information is not the basis for speaking up or to whistle blow.
- 22.6 For further information on the whistleblowing/Speak Up channel, refer to Smart Axiata's Whistleblowing/Speaking Up Policy and Procedures.

23. Training and Communication

- 23.1 Smart Axiata will also regularly provide ABAC awareness and training to its employees, as appropriate to their roles, risks and business scenarios they face. This awareness and training will be updated for necessary changes. All new employees whose day-to-day activities may be affected by this Policy will receive the relevant training within a set timeframe after commencing employment with Smart Axiata as stipulated in the ABAC procedures.
- 23.2 Training for all employees, including temporary staff, contract workers and business associates, shall be mandatory and monitored for its completion. Periodic confirmation will be sought from relevant personnel on compliance with this ABAC Policy.
- 23.3 Smart Axiata shall communicate to its Stakeholders the necessity to comply with this Policy at the outset of business relations through the appropriate communication channels.

24. Risk Management & Compliance (RMC) Department

- 24.1 Smart Axiata has a dedicated RMC department to oversee the design, implementation, monitoring and management of the ABAC framework and activities/matters.
- 24.2 The RMC department shall perform functions as set out below within the Smart Axiata's structure, equipped to act effectively against bribery and corruption:
- a. provide advice and guidance to personnel on ABAC matters;
 - b. take appropriate steps to ensure that adequate monitoring, measurement, analysis and evaluation of ABAC is performed;
 - c. report on the performance and monitoring of ABAC to the top management and the BRCC regularly; and
 - d. Appropriate resources shall be provided for the effective operations of ABAC and the RMC shall be staffed by persons who have the appropriate competency, status, authority and independence.
- 24.3 Smart Axiata shall conduct regular risk assessments to identify the bribery and corruption risks affecting the business, set anti-bribery and corruption objectives, and assess the effectiveness of the controls in achieving those objectives.

25. Review and Updates to this Policy

- 25.1 This Policy shall be monitored and reviewed at least once every two (2) years by the RMC department. The required updates and amendments shall be recommended by the RMC to the GCRCO for the same to be tabled to the Axiata Group and/or Smart's BRCC and Board for final approval in accordance with the Group and Smart's Governance Instruments. All Stakeholders shall be informed of any revisions made to this Policy.
- 25.2 Axiata Group reserves the right to vary and/or amend the terms of this ABAC Policy from time to time.

- END OF DOCUMENT -