



# **ASTRO MALAYSIA HOLDINGS BERHAD**

## **Anti-Corruption Framework (AACF) Manual**

## **Group CEO Statement**

Astro Malaysia Holdings Berhad and its subsidiaries (collectively, "**Astro**") are committed to conducting its business activities in accordance with all applicable laws and regulations that prohibit bribery or corruption. Astro requires all employees at all times to act honestly and with integrity and to safeguard its assets.

This Policy is adopted and endorsed by Astro's Board of Directors and has been communicated to everyone in our business to ensure their commitment to it. We expect all Astro's Board of Directors, Senior Leadership and employees to fully comply with the requirements and procedures set out within this Policy.

Astro adopts a zero-tolerance approach against all forms of bribery and corruption in its business dealings and operations and takes very seriously any attempt to commit corrupt practices by directors, employees, contractors, agents and business partners. Cases of suspected bribery or corruption will be investigated and appropriate action will be taken, including reporting to the relevant authorities, disciplinary action, termination of contracts where applicable and undertaking of legal proceedings whenever appropriate.

Employees are encouraged to report any case of actual or suspected bribery or corruption or violation of this policy to (one or more of) their line manager, the Director of Human Capital, the Vice President of Corporate Assurance or via Astro's Whistleblowing Line.

We also expect all third parties dealing with Astro to apply the highest ethical standards in their business relationships and to ensure they also have a robust anti-corruption compliance framework in place.

Any breach of this Policy will be regarded as a serious matter and is likely to result in disciplinary action.

Euan Daryl Smith  
Group CEO

Contents

1.0 INTRODUCTION.....4

2.0 DECLARATION OF INTERESTS & SHAREHOLDINGS.....7

3.0 NO GIFTS POLICY AND HOSPITALITY.....8

4.0 SPONSORSHIP, DONATIONS & POLITICAL CONTRIBUTIONS.....12

5.0 DEALING WITH FACILITATION PAYMENTS .....14

6.0 DUE DILIGENCE, INTERNAL CONTROLS AND RISK MANAGEMENT .....15

7.0 VIOLATIONS AND INVESTIGATIONS.....17

## 1.0 INTRODUCTION

### Purpose

The Board of Directors of Astro Malaysia Holdings Berhad, including its subsidiaries ("**Company**"), has a zero tolerance against all form of bribery and corruption.

This means that all of the Company's employees, business associates and parties engaged with the Company is committed to conducting business in a fair, transparent and ethical manner which include:

- Declaration conflict of interest on a periodic basis and where actual, potential or perceived conflicts arises
- Adopt a "No gift" policy, prohibit offering or accepting hospitality subject to certain limited exceptions
- Allowing charitable donations and sponsorships for legitimate reasons only; Political donations are prohibited.
- Prohibit any receiving, giving or promising of facilitation payments
- Conduct due diligence, review internal controls and conduct risk assessment, in particular where there is significant exposure to bribery and corruption risk
- Encourage reporting (whistleblowing) of real or suspected cases of bribery and corruption without fear of retaliation or reprisal.

This Astro Anti-Corruption Framework ("**AACF**") Manual is developed to provide an overview of the key principles outlined in AACF policies and procedures, which is in line with the applicable laws and regulations in Malaysia. The AACF intends to fulfill the requirements set forth in The Guidelines on Adequate Procedures to Section 17A (5) of Malaysian Anti Corruption Commission Act 2009 ("**MACC Act**").

All of the Company's Directors, Employees, Business Associates and parties engaging with the Company are expected to read, understand and comply with the requirements set in the AACF (available on the Company's corporate website). No waivers or exceptions will be granted for practices that deviate from AACF principles. For further information, please refer to our AACF on the Astronet.

### What is Bribery and Corruption?

In line with the MACC Act and the Guidelines of Adequate Procedures, the Company has developed and implemented a comprehensive set of measures to combat bribery and corruption of all forms related to the Company's operations.

#### Bribery

Under the MACC Act, "gratification" or more commonly known as "bribery" means offering, giving, receiving or soliciting something of value (for example money or information) in an attempt to illicitly influence the decisions or actions of a person with a position of trust within an organisation.

#### Corruption

According to Transparency International<sup>1</sup>, corruption means the abuse of entrusted power for personal gain. However, corruption has a broader definition than bribery. This Manual therefore refers to "bribery and corruption" as a standard term to cover all types of gratification.

### Scope and Application

This AACF Manual is intended to apply to:

- a) All Board of Directors of the Company**
    - Including executive and non-executive directors ("Directors").
  - b) All Employees of the Company**
    - Including permanent and on contract employees ("**Employees**") regardless their position or role.
    - All Employees must comply with the AACF, the Code of Business Ethics and all other policies / SOP / guidelines in the course of employment.
    - Head of Business Units are responsible to communicate and ensure compliance to this AACF within their respective business functions/units
- For the purposes of this Manual, all Company Board of Directors and its Employees will be collectively referred as "**Personnel**".
- c) All Business Associates of the Company**
    - This includes vendors, contractors, sub-contractors, consultant, agents, representatives, and other intermediaries

who are performing work or services, for and on behalf of the Company ("**Business Associates**").

- The Employees, regardless of their position or roles, are responsible to communicate this AACF to their Business Associates.

#### d) All Parties engaging with the Company

- This also applies to all Employees and Business Associates of subsidiaries, joint ventures, and any significant investment of the Company (and with respect to each subsidiary, joint venture and significant investment, all references in this AACF to the Company shall include such entities).
- The Company will endeavor to use its influence in good faith to require these parties to understand and implement policies and procedures similar to the Company.

In the event of conflict between the content of the AACF and any applicable law, the applicable law shall prevail and the Employees and Business Associates shall comply with applicable law.

### Understanding and Declaration

All Business Associates must **read, understand, comply** and **declare** their acceptance and compliance with this AACF by completing the Third Party Integrity Pledge as appropriate.

We also expect all parties that are engaging with the Company to **read, understand** and **comply** with the AACF.

### Lead by Example

Head of Business Unit or Managers must communicate this AACF to their team members, business associates and any other parties they engage with. Head of Business Unit or Managers must show respect and maintain open, honest and constructive two-way communication with their team members. This means encouraging them to ask question, make suggestions and report concerns or possible violations of AACF.

We must also encourage our Business Associates and other parties to report any concerns or possible violations of AACF policies and procedures via whistleblowing channels.

### Consequences and Implication

Engaging in bribery and corruption is illegal according to both local and international legislation. Under MACC Act, if you participate in bribery and corruption, you may be subject to:

1. **Imprisonment up to 20 years; and**
2. **A fine of not less than ten times the sum or value of the relevant bribe (gratification) or RM1 million, whichever is higher (no upper limit)**

Failure for Personnel to comply with this AACF, including non-completion of trainings relating to anti-bribery and corruption, will result in disciplinary action, up to and including termination of employment or dismissal.

Since our principles are based on legal requirements, violating them could subject the Company and its Personnel to penalties including fines, imprisonment and other criminal or civil sanctions.

These violations may also result in high costs, personal reputational damage or loss of professional accreditation and severely damage the reputation of the Company.

Failure for business associates to comply with this AACF may result in the termination of the business relationship with the Company.

### Additional Policies

Information in this AACF is derived from the Company policies and procedures (available on the Astronet, and should be read together with the following:

- The Company's Code of Business Ethics
- Whistleblowing Policies
- Finance and Human Capital Guidelines
- Procurement Manual

### Dealing with Difficult Situations

Dealing with situations that may potentially involve bribery and corruption can be difficult. If you are not sure whether an act may be considered as a bribe, then ask yourself these following questions:

1. Is this a bribe? Are you being pressured to provide something that you are not comfortable with?
2. Is this legal? Are there any laws/regulations/company policies that addresses this situation?
3. Will your act have a negative impact on the Company's reputation/business?
4. How would you feel if your decision(s) were highlighted in the media?

Refer to the DO's and DON'T' below:



You SHOULD:

- ✓ Read, understand, comply to this AACF
- ✓ Be aware of the potential risk scenarios "red flag" (such as unusual or suspicious transactions, unexplained invoices, incomplete information and receiving gift and hospitality)
- ✓ Communicate the Company's principle and the importance of spotting red flag to the team members and any external party you are engaging with.
- ✓ Attend mandatory anti bribery and corruption training.
- ✓ Report any non-compliance of the AACF to line manager, Human Capital or through the whistleblowing channel



You SHOULD NOT:

- ✗ Participate in any illegal any illegal or illicit acts of bribery or corruption.
- ✗ Misuse your position or the Company's name for your personal benefit, or to the detriment of the company.
- ✗ Fail to report any real or suspected incidents of bribery and corruption.
- ✗ Conceal, alter, destroy or otherwise modify any information on incidents of bribery and corruption.
- ✗ Collude with business associates in making false claims relating to work orders/projects /products and services.

## 2.0 DECLARATION OF INTERESTS & SHAREHOLDINGS

This declaration is to ensure that you are not in a situation where you can take advantage of your role by using power, confidential information, assets or intellectual property for the benefit of yourself or a closely related person.

### Who must Declare?

It is mandatory for all employees to make this declaration.

### What must I Declare?

You must declare any of the following:

- a) Any interest, legal or beneficial, in the form of outside employment, directorship (with or without fees) and engagement (side gigs);
- b) Any shareholding where you own 15% or more of the share capital of a private limited company and/or 5% or more of the share capital of a public listed company either in your name or through proxies;
- c) Any sole proprietorships that you own;
- d) Immediate family members (parents, spouse, siblings, children, spouse's siblings, parents in law and sons/daughters in law) working with us or with vendors or third parties engaged with us.

If you are unsure on what you must declare, you should consult the Compliance Unit ([complianceunit@astro.com.my](mailto:complianceunit@astro.com.my)) for advice.

### When do We Declare?

Employees are required to make their declarations through the e-Declaration of Interests & Shareholdings Form as and when they are taking up new interests, shareholdings, employment and positions outside of the Company.



#### You SHOULD:

- ✓ Declare any actual, potential or perceived interest via the E-Declaration of Interests & Shareholdings Form
- ✓ Declare your interests, shareholdings, employment outside of the Company as and when it arises



#### You SHOULD NOT:

- ✗ Conceal any actual, potential or perceive conflict of interest that may put your integrity, credibility and decision making in question.
- ✗ Make decision when there is an actual or potential conflict of interest between you and the other party (such as during contract negotiations or tender process) without first making a disclosure.

## 3.0 NO GIFT POLICY AND HOSPITALITY

### 3.1 No Gift Policy

Personnel are prohibited from directly or indirectly, giving and receiving gifts that may influence good judgement and decision making, subject to certain **limited exceptions**.

#### Giving Gift

Generally, Personnel including their Closely Related Person(s) are not allowed to give or provide gifts to Business Associates and other parties engaging with the Company, with the exceptions of the following:

- (a) A gift worth less than RM250 per item, features the Company's logo or brand (e.g. diaries, lanyards, pens, etc.), and is part of an approved marketing or promotional campaign;
- (b) The gift is exchanged at a company-to company level (e.g. for official events or launches);
- (c) The gift is a token of appreciation at an official function or public event (e.g. door gifts at conferences, open house);
- (d) The gift is given as part of the Company's Corporate Social Responsibility ("CSR") programme; or
- (e) The gift is offered in conjunction with any festive or occasion and in such an event, the gift must not exceed RM250.

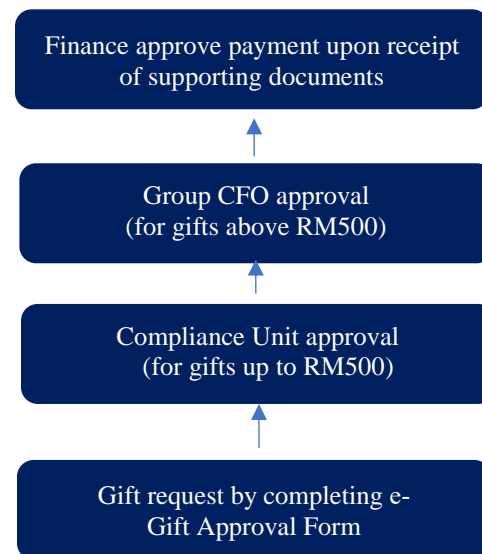
#### Approval Process for Exceptions

In a situation where a gift is required to be given but it does not fall within the exceptions listed above, a request can be made to the Compliance Unit by completing the e-Gift Approval Form. In this situation, any gift with a value **up to RM500** must be approved by the Compliance Unit; If the gift has a value **above RM500**, approval must be obtained from the Group CFO.

In the event that the Group CEO and Directors are providing the gift and it does not fall within the

exceptions listed above, they shall obtain the approval of the Board Chairman. For the Board Chairman, he/she shall obtain the approval from the Audit and Risk Committee Chairman.

Once the application is approved, the application will be submitted to Finance to approve payment provided that the application is supported by relevant documentation.



Even with the exceptions listed above, all Personnel are expected to exercise proper care and judgment in handling gift activities and are strictly prohibited from giving the following:

- (a) Any gift of cash;
- (b) Any gifts to parties engaged in a tender or competitive bidding exercise;
- (c) Any gifts that comes with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required in return for the gift;
- (d) Any gift which is lavish and/or excessive or may adversely tarnish the reputation of the Company; or
- (e) Any gift that would be illegal or in breach of applicable laws on bribery and corruption.



## Receiving Gift

If you are offered or receive a gift from an external party or where there is a conflict of interest, you are required to politely refuse or return the gift, and inform the giver with a polite notification of the Company's "No Gifts" Policy.

### Approval Process for Exceptions

However, where it is not possible to refuse or return a gift, or the refusal is likely to cause serious offence, you are advised to take the necessary steps:

1. Record the gift in the e-Gifts Declaration Form ("**Declaration Form**").
2. Report the gift to your Head of Department/Line Manager who will make note of it in their Gifts Log and decide if the gift can be accepted with the limited exceptions.
3. If approved, the application will be forwarded to the Compliance Unit for final approval.

For the Group CEO and Directors, they shall report the gift to the Board Chairman, who will decide whether to approve the acceptance of the gift. In the event that the Board Chairman receives a gift, he/she shall, in turn, obtain the approval of the Audit and Risk Committee Chairman.

Where the relevant approvers approves the acceptance of the gifts, he/she must also determine the next course of action is required whether:

- (a) Donate the gift to charity; or
- (b) Hold it for departmental display; or
- (c) Share the gift with the others in the department; or
- (d) Permit it to be retained by the employees

In determining the above, the relevant approvers are expected to exercise good judgment and proper care in each case taking into consideration pertinent circumstances including the character of the gift, its purpose, the position /seniority of the person receiving the gift, business context, reciprocity, applicable laws and cultural norms.

Compliance Unit Approval

HOD / Line Manager to record gift in Gifts Log and to decide whether to approve.  
If approved, HOD / Line Manager and Compliance Unit determines what to do with gift.

Where not possible to refuse gift, record the gift in the e-Gifts Declaration Form

### What if gifts are received out of office?

If you receive a gift off-site (e.g. your home) from a Business Associate or other parties engaged in business with the Company, you must refuse and report the incident to your Head of Department/ Line Manager.

If you are unable to refuse, you must then report to Compliance Unit immediately for their further action, with your Head of Department/ Line Manager copied in your report. If you are unsure, you should consult the Compliance Unit for advice or make a declaration through the e-Gift Declaration Form.

## 3.2 Hospitality

### What is Hospitality

Hospitality comes in many forms, consisting of travel or transportation, accommodation, entertainment and recreation (leisure activities) and meals.

The Company **strictly prohibits** the giving and receiving of hospitality in the following situations:

- (a) Any hospitality provided or received with a view to improperly cause undue influence on any party in exchange for some future benefit or result;
- (b) Any hospitality provided or received with a direct/indirect suggestion, hint,

- understanding or implication that some expected or desirable outcome is required;
- (c) Any hospitality during specific time periods, such as parties engaged in a tender or competitive bidding exercise (where you are involved in the exercise) or contract negotiations (except for normal meals during or after contract negotiation sessions provided it is not lavish or excessive);
- (d) Any hospitality provided or received that would be illegal or in breach of any applicable laws;
- (e) Any hospitality that are sexually oriented;
- (f) Any hospitality provided or received that would be perceived as lavish or excessive or may adversely tarnish the reputation of the Company; or
- (g) Any hospitality offered or accepted frequently with the same party.

Personnel are required to exercise proper care and judgment before accepting hospitality offered or provided by third parties or Business Associates. This is not only to safeguard the Company's reputation, but also to protect Personnel from allegations of impropriety or undue influence.

When in doubt, you should either politely decline the offer or seek advice from your HOD/ Line Manager or the Compliance Unit.

## A. Travel, transportation and accommodation

You are prohibited from offering or accepting hospitality in the form of travel, transportation and accommodation.

Personnel travelling for the Company's business shall be paid for by the Company unless otherwise specified in the relevant work or service contract.

Any waiver requires the approval from the Group CEO.

## B. Providing Entertainment / Meals

You are allowed to offer entertainment / meals to Business Associates and other parties engaged with the Company provided they fall within the following limited exceptions:

- It is business-related (i.e. only for those directly connected to the business operations)
- It is not for spouses and other non-business guests.

- The cost of the entertainment / meal does not exceed the thresholds below which provides a guidance on what is deemed to be reasonable:

Job Grade/Position	Per Receipt: Malaysia	Per Receipt: Overseas
SAVP and below	Up to RM500	Up to RM1000
VP and above	Up to RM1000	Up to RM2000

Employees would be required to spend within the above threshold/ limit set. In the event the claims exceed the fixed threshold, the claims will need to be routed to the Compliance Unit for Approval using the e-Entertainment Approval Form.

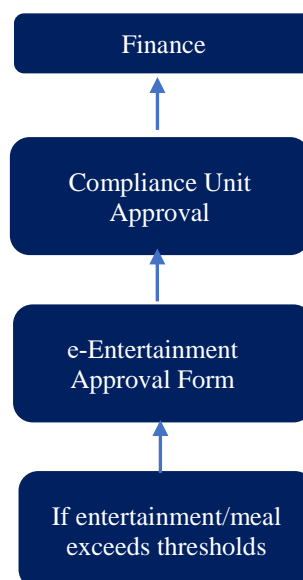
Thereafter, it should follow through with approval as per the Limits of Authority prior to reimbursement.

Once the application is approved, the application will be submitted to Finance to approve payment provided that the application is supported by relevant documentation.

All payments and claims made for any hospitality or entertainment along with the supporting documents must be recorded and kept.

It is important to note that when more than one employee is present at a business meal, the employee with the highest-ranking job level should pay the bill.

Examples of entertainment include golf session and sporting events.



### Group CEO and Directors

For the avoidance of doubt, the Group CEO and all Directors are entitled to be reimbursed for expenses which are reasonably incurred by them in the discharge of their duties. This includes but is not limited to travel and accommodation, mobile and broadband expenses.

In this situation, claims submitted by the Group CEO and Directors shall require the approval of the Board Chairman and claims submitted by the Board Chairman shall require the approval of the Audit and Risk Committee Chairman.

### C. Receiving Entertainment

The Company strictly prohibits its Employees and Directors from soliciting hospitality or entertainment or accepting hospitality or entertainment given in response to or in anticipation of a favourable business decision.

Employees and Directors are required to exercise proper care and judgment before accepting hospitality or entertainment offered or provided by third parties. This is not only to safeguard the Company's reputation, but also to protect Employees and Directors from allegations of impropriety or undue influence.

When in doubt, you should either politely decline the offer or seek advice from your HOD/Line Manager or the Compliance Unit.



#### You SHOULD:

- ✓ Communicate on No Gifts Policy to third parties engaging with the Company, and request their understanding and adherence to this policy.
- ✓ Exercise good judgement when giving or receiving gifts to avoid tarnishing the Company's reputation or creating a negative perception of bribery and corruption.
- ✓ Politely refuse or return any gift offers (includes festive hampers, gifts delivered off-site, vouchers and discounts offered by third parties) unless it is within the limited exceptions.
- ✓ Record and report any gifts received from third parties except those that falls within the limited exceptions.
- ✓ Only offer and accept entertainment / meals if it falls within thresholds set out in this section and subject to prior approval from your HOD/ Line Manager and Compliance Unit (where applicable).



#### You SHOULD NOT:

- ✗ Offer or accept any gift of cash or cash vouchers and any hospitality that may create a sense of obligation, or comes with a direct/indirect suggestion, hint or expectation of special treatment or create conflict of interest that would be perceived negatively.
- ✗ Offer or accept gifts which do not fall within the limited exceptions as stated above.
- ✗ Offer or accept any gifts and/or hospitality to parties engaged in a tender or competitive bidding exercise.
- ✗ Accept gifts that are delivered off-site (i.e. your home) from business associates or any other parties engaging with the Company.
- ✗ Exchange hospitality frequently with the same person or party over a period of time.
- ✗ Offer or accept meals from third parties unless it meets the reasonable threshold and prior approval is sought from your HOD/Manager.
- ✗ Offer or accept any gifts and/or hospitality that would be illegal or in breach of any applicable laws.

## 4.0 SPONSORSHIP, DONATIONS & POLITICAL CONTRIBUTIONS

As a responsible corporate citizen, the Company is committed to contribute to the wellbeing of the communities. It is important that all Corporate Social Responsibilities (“**CSR**”), sponsorship and donations are made in accordance with the Company's policies and procedures and as permitted by existing laws and regulations. However, these activities may be misused or perceived as vehicles for bribery and corruption.

The Company's CSR and Non-CSR Sponsorship and Donations Policy governs the policies and procedures for all CSR and non-CSR sponsorship, donations and contributions.

All of these activities shall be made in accordance with the following:

- (a) ensure such contributions are allowed by applicable laws;
- (b) be made to legitimate entities having an adequate organizational structure for proper administration of the funds;
- (c) be accurately stated in the Company's accounting books and records; and
- (d) not to be used in return of an improper business advantage or be used as a means to cover up a bribe.

For avoidance of doubt, donations and sponsorship are **strictly prohibited** in the following situations:-

- (a) Any sponsorship and donation request that comes with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required;
- (b) Any sponsorship and donation that is illegal or in breach of any applicable laws;
- (c) Any sponsorship and donation that is excessive or may otherwise tarnish the reputation of the Company; or
- (d) Any sponsorship and donation that is used as a conduit to circumvent, avoid or evade the law or regulatory requirements.

All personnel are encouraged to use good judgement and common sense in assessing sponsorship and donation requests.

Due diligence must be conducted to ensure that the requests are legitimate and that any red flags are solved prior to committing the funds. Examples of red flags to look out for include:

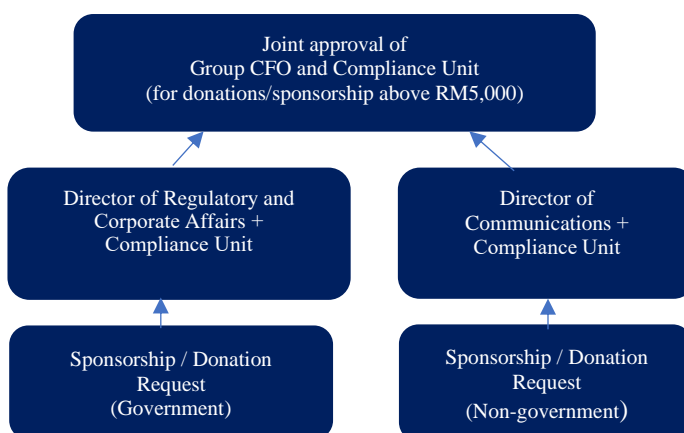
- (a) the proposed recipient has affiliations with government officials or their relatives are involved;
- (b) the funds are made on behalf of a government official;
- (c) there is a risk of perceived improper advantage for the Company;
- (d) the proposed recipient is based in a high risk country, the request comes from a high risk country or the activity takes place in a high risk country.

When in doubt, personnel should seek further advice from Regulatory and Corporate Affairs.

### Approval process

All request for CSR and non-CSR sponsorships and donations to be made to **governmental bodies** shall obtain the approval from the **Director of Regulatory and Corporate Affairs** and then the Compliance Unit. For donations/sponsorships above **RM5,000**, approval from the Group CFO will also be required.

All request for CSR and non-CSR sponsorship and donations to be made to **non-governmental bodies** shall obtain the approval from the **Director of Communications** and then the Compliance Unit. For donations/sponsorships above **RM5,000**, approval from the Group CFO will also be required.



### Political Contributions

We do not make political donations (i.e. donations to politicians or political campaigns or candidates for political offices) and we do not allow the Company's resources to be used for this purpose.

However, the Company encourages personnel to participate in the political election process by voting. Personnel may choose to make personal political contributions as appropriate within the limits established by the law

The Company has the right to engage and communicate its views and position on issues of public interest in line with our responsibilities as TV broadcaster.



#### You SHOULD:

- ✓ Ensure that all request has been carefully examined for legitimacy purposes and not be made to improperly influence a business outcome
- ✓ Ensure all request shall be made in accordance with the Company's policies and procedures and must obtain final approval from the Sponsorship and Donation Committee.
- ✓ Avoid making cash donations whenever possible
- ✓ Conduct due diligence on all parties who are requesting/receiving the charitable donations or sponsorship.



#### You SHOULD NOT:

- ✗ Commit to a request without first undergo proper process and procedures to evaluate the legitimacy.
- ✗ Accept donation or provide sponsorship during or after contract negotiation/ significant event
- ✗ Contribute on behalf of the Company to politicians or political campaigns or candidates for political office
- ✗ Accept any offer for sponsorship that will influence decision making.

### 5.0 DEALING WITH FACILITATION PAYMENTS

#### What is Facilitation Payment?

A “facilitation payment” is a payment received or made to a decision maker or an administrative staff (in either public or private sectors) to speed up a process or secure licenses/permits.

Facilitation payments are illegal under the MACC Act as it falls within the meaning of gratification or bribery.

Facilitation payments need not involve cash or other financial asset, it can be by any sort of advantage with the intention to influence them in their duties.

#### Making Facilitation Payment

Identifying the difference between a legitimate request for payment in exchange for a service, and an illegal request for a bribe can be difficult. If you face this problem, stop and ask yourself these questions:

- Am I able to obtain an official receipt for the payment?
- Am I being pressured to make the payment?

If you are unable to obtain an official receipt, or feel pressured into making a payment, the officer or representative may be asking you for a facilitation payment.

However, there are certain situations or circumstances where you faced with having to make facilitation payment in order to protect your life, limb and liberty. In dangerous situation, you are allowed to make payment but you must immediate report to your Head of Department/Line Manager and Human Capital. Making facilitation payment in such situation is the only exception which can be used as a defense when faced with allegations of bribery and corruption.

#### Managing Facilitation Payment Request

##### a) Employees

If you receive requests for facilitation payment you must refuse to pay and immediately report the incident to either MACC or the police. You must then immediately report the incident to

Human Capital and Corporate Assurance with your HOD/Manager copied in your report.

If you are aware that an Employee has requested a facilitation payment from business associates, you should also report the matter directly to Human Capital or alternatively, through the whistleblowing channels.

##### b) Business Associates

Business Associates who receive request for facilitation payments from Employees, must decline to pay and report the issue via the whistleblowing channels or directly to Human Capital.



#### You SHOULD:

- ✓ Be aware of any signs that you are being asked for or being offered a facilitation payment.
- ✓ Communicate the Company's value on facilitation payments to relevant parties you are engaging with.
- ✓ Ask for official receipts for all payments.
- ✓ Report the incident to Human Capital.



#### You SHOULD NOT:

- ✗ Accept or obtain, either directly or indirectly, facilitation payments from any person.
- ✗ Fail to report any real or suspected incidents of requests for facilitation payment.



## 6.0 DUE DILIGENCE, INTERNAL CONTROLS AND RISK MANAGEMENT

### 6.1 Due Diligence

#### What is Due Diligence?

Due Diligence is generally defined as exercise of care that a reasonable business or person is expected to take before entering into an agreement, offer or contract with another party, or an act with a certain standard of care.

#### Why do we conduct Due Diligence?

The due diligence exercise is aimed to obtain sufficient information in order to assess if there are bribery risks posed by these parties.

Based on the results, we may then decide either decline, suspend or terminate relationships with be it the Employees, Business Associates or any other parties engaging with the Company to protect the Company from any legal, financial and reputation risk.

#### When and who shall conduct Due Diligence?

Party	When	Who
Employees	Prior to onboarding new employees.	<ul style="list-style-type: none"> <li>Human Capital for employees (permanent or contract)</li> <li>Corporate Secretarial for Board of Directors</li> </ul>
Business Associate and other parties the Company engages with	Prior to first engagement, renewal of contracts, performance evaluations, incident of misconduct, changes in circumstances.	<ul style="list-style-type: none"> <li>Procurement (for vendors)</li> <li>Investor Relation for (joint ventures and associated companies)</li> </ul>
Selected projects and major business activities	<ul style="list-style-type: none"> <li>Prior to the commencement of a project</li> <li>As and when there are changes in circumstances.</li> </ul>	<ul style="list-style-type: none"> <li>Respective Head of Department/Line Managers leading the project</li> </ul>

#### Due Diligence Process

##### A. Third Party Integrity Pledge

All Business Associates must sign the Third Party Integrity Pledge which states but not limited to the following:

- They understand and comply with all applicable law and the Company's policies relating to Code Of Business Ethics for Third Parties, and Whistleblowing, which will be provided to them upon engagement.
- Committed to anti-bribery and anti-corruption principles.
- They have not been convicted nor subject to investigation of any actual or suspected breach

- Promptly inform to the Company of any breach and to be cooperate with the Company in any arising investigation
- The pledge will be form as part of the contractual terms and conditions.

##### B. Due Diligence Checklist

The purpose of the checklist to provide a guidance to the Employee in making decision whether to continue the relationship with these parties.

The checklist is non-exhaustive and Personnel is encouraged to add where deemed fit. Any unsatisfactory answer to the checklist shall be treated as potential risk areas by the Employee.

## 6.2 Internal Controls

### A. Segregation of Duties

The Company adopts a clear segregation of duties for all job functions either financial or non-financial related.

- Non-financial activities, it is required of at least 2 level of verification (i. e preparer and reviewer)
- Financial related, the Company adopts the 3 layer of checking which comprises a preparer, reviewer by Head of Department/Line Managers and/or Finance and approve based on the Limits of Authority.

### B. Limits of authority

Limits of Authority (LOA) stipulates the approval authority delegated to Employees which include disbursement, payment, claims etc.

These limits are reviewed regularly and approved by Senior Leadership/Board of Directors in accordance with their respective LOA, in tandem with the changes in

business operations and organisation structure.

## 6.3 Risk management

### Risk Management Approach

The risk-based approach is designed to help the Company to focus on key processes or activities that have high exposures to potential bribery and corruption risk. It encourages a top down approach where critical risk are linked to the strategic goals and objectives.

Our approach incorporates The Guidelines on Adequate Procedures to Section 17A (5) of MACC Act which then form Bribery Risk Assessment.

### Bribery Risk Assessment

Bribery Risk Assessment ('BRA") focuses on analysing root cause, impact to the Company and the mitigation plan shall be conducted on a regular basis.

The BRA process includes the following process:

Bribery Risk Assessment Process		Description
Step 1	Risk Identification	Identifying all potential risk related to bribery, corruption, donations sponsorship etc in each process.  All AACF stakeholders shall record any bribery risks identified in the respective departments in the risk register.
Step 2	Risk Assessment	To estimate the exposure and magnitude of each type of corruption risk which had been identified i.e likelihood and impact.
Step 3	Mitigation Plan	Mapping the identified risk to the existing controls. If the existing control are insufficient to mitigate the bribery and corruption risk, identify the gaps and design and implement appropriate remedial action.
Step 4	Risk Monitoring	The monitoring of bribery and corruption risk, controls and action plan need to be perform on continuous basis.
Step 5	Risk Reporting	Reporting of any instance to the relevant parties to ensure effective communication which include: a) Periodic update to the Board and Audit and Risk Committee. b) Reporting on alleged and actual breaches



### 6.4 Audit

The Compliance Unit oversees and monitors the performance and compliance with the AACF. An internal audit review of the AACF shall be carried out every three years by Corporate Assurance or personnel equipped with the necessary skills and experience to evaluate the AACF Stakeholders' compliance with the AACF and to identify areas for improvement.

The findings of the audit shall be presented to the Audit and Risk Committee and to the Board of Directors for review.

A copy of the findings shall also be forwarded to the Compliance Unit for monitoring and further action, if necessary.

A qualified and independent external auditor shall be engaged once every 3 years, where possible to conduct a comprehensive review of the AACF to assess its effectiveness.

### 6.5 Record Keeping

Record keeping is integral to the AACF as it serves as an evidence that the Company has taken adequate measures and proper procedures in addressing corruption risks and issues.

All AACF Stakeholders are responsible for keeping proper documentation in their course of complying with the AACF.

All documentation in relation to the AACF shall be kept in the manner prescribed by the Compliance Unit and it is the responsibility of all AACF Stakeholders to ensure that the documentation and records are up-to-date and complete.

## 7.0 VIOLATIONS AND INVESTIGATIONS

Any conduct which is non-compliant or in violation of this AACF will be taken seriously and are subject to disciplinary actions.

Where non-compliance of the AACF is detected or a complaint is received, the Whistleblower Hotline Committee shall oversee the investigation process. Please refer to the **Whistleblower Policy** for more details.