



**ASPEN (GROUP) HOLDINGS LIMITED**

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**Anti-Corruption Framework Manual**

## **1.0 INTRODUCTION**

### **Purpose**

The Board of Directors (the "**Board**") of Aspen (Group) Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), has a zero tolerance against all forms of bribery and corruption. Bribery and corruption compromises business ethics and damages an organisation's reputation. As such, the Group strongly opposes any practice that improperly or illegally disrupts proper business conduct. The Group's Anti-bribery and Anti-corruption Policy ("**ABAC Policy**") sets out core principles in this regard.

All of the Group's co-workers, business associates and parties engaged with the Group is committed to conducting business in a fair, transparent and ethical manner which include:

- Declaring a conflict of interest on a periodic basis and where actual, potential or perceived conflicts arise.
- Adopt a "No gift" policy, prohibit offering or accepting hospitality subject to certain limited exceptions.
- Allowing charitable donations and sponsorships for legitimate reasons only and political donations are prohibited.
- Prohibit any receiving, giving or promising facilitation payments.
- Conduct due diligence, review internal controls and conduct a 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 Anti-Corruption Framework Manual ("**ACF Manual**") is developed to elaborate upon those principles, providing guidance to the Group's co-workers on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. The ACF Manual is also intended 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**").

Directors, co-workers, business associates and parties engaging with the Group are expected to read, understand and comply with the requirements set in the ABAC Policy and the ACF Manual (shall be made available on the Company's corporate website). No waivers or exceptions will be granted for practices that deviate from the principles therein contained.

### **What is 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.

### **What is 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 ACF Manual, therefore, refers to "bribery and corruption" as a standard term to cover all types of gratification.

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<sup>1</sup>Transparency International is an independent, non-governmental and organisation which is committed to fight against corruption. For more information on Transparency International, please visit <https://www.transparency.org/>.

## **Scope and Application**

In line with the MACC Act and the Guidelines of Adequate Procedures, the Group has developed and implemented a comprehensive set of measures to combat bribery and corruption of all forms related to the Group's operations through this ACF Manual which is intended to apply to:

- a) **Directors**
  - Including executive and non-executive directors of the Group ("**Directors**").
- b) **Key Management**
  - Including Chief Financial Officer, Chief Operating Officer and Divisional Directors of the Group ("**Key Management** ").
- c) **All co-workers of the Group**
  - Including permanent, part-time and on contract employees ("**Co-Workers**") regardless of their position or role.
  - Divisional Directors are responsible to communicate and ensure compliance with this ACF Manual within their respective business functions/units.

For the purposes of this ACF Manual, the Directors, Key Management and Co-Workers will be collectively referred to as "**Personnel**".

- c) **All business associates of the Group**
  - any third party (person or entity) with whom the Group has, or plans to establish, some form of the business relationship and include those who perform services for or on behalf of the Group. This includes actual and potential clients, customers, joint-ventures, joint-venture partners, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, agents, distributors, representatives, intermediaries and investors ("**Business Associates**").
  - The Co-Workers, regardless of their position or roles, are responsible to communicate this ACF Manual to their Business Associates.
  - The Group will endeavor to use its influence in good faith to require its Business Associates to understand and implement policies and procedures similar to the Group.

In the event of a conflict between the content of the ACF Manual and any applicable law, the applicable law shall prevail, and the Co-Workers and Business Associates shall comply with applicable law.

## **Understanding and Declaration**

All Personnel and Business Associates must **read, understand, comply** and **declare** their acceptance and compliance with the ABAC Policy and the ACF Manual by completing the Anti-Bribery and Anti-Corruption Declaration.

The Group also expects all parties that are engaging with the Group to **read, understand** and **comply** with the ABAC Policy and ACF Manual.

## **Lead by Example**

Divisional Directors must communicate this ACF Manual to their team members, Business Associates and any other parties they engage with. Divisional Directors must show respect and maintain open, honest and constructive two-way communication with their team

members. This means encouraging them to ask questions, make suggestions and report concerns or possible violations of ACF Manual.

The Group also encourages its Business Associates and other parties to report any concerns or possible violations of ABAC Policy and the ACF Manual via whistleblowing channels.

### **Consequences and Implication**

Engaging in bribery and corruption is illegal according to both local and international legislation. Under the 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 of Personnel to comply with this ACF Manual, including non-completion of training relating to anti-bribery and corruption (if any), will result in disciplinary action, up to and including termination of employment or dismissal.

Since the principles in the ABAC Policy and the ACF Manual are based on legal requirements, violations could subject the Group and its Personnel to penalties including fines, imprisonment and other criminal or civil sanctions.

These violations may also result in personal reputational damage or loss of professional accreditation and severely damage the reputation of the Group.

Failure of Business Associates to comply with the ABAC Policy and the ACF Manual may result in the termination of the business relationship with the Group.

### **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? Are you receiving a personal benefit?
2. Is this legal? Are there any laws/regulations/company policies that address this situation?
3. Will your act have a negative impact on the Group's reputation/business?
4. How would you feel if your decision(s) were highlighted in the media?

**Refer to the DO's below:**

- Read, understand, comply with the ABAC Policy and the ACF Manual.
- Sign the Anti-Bribery and Anti-Corruption Declaration or such declaration as determined by the Group from time to time.
- Be aware of the potential risk scenarios “red flag” (such as unusual or suspicious transactions, unexplained invoices, incomplete information and receiving gifts and hospitality).
- Communicate the Group's principle and the importance of spotting red flags to the team members and any external party you are engaging with.
- Report any non-compliance of the ABAC Policy and the ACF Manual to the Integrity Team or through the whistleblowing channel.

**Refer to the DONT's below:**

- Participate in any illegal or illicit acts of bribery or corruption.
- Misuse your position or the Group's name for your personal benefit, or to the detriment of the Group.
- 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 partners in making false claims relating to products and services.

## **2.0 DECLARING CONFLICT OF INTEREST**

The Group's Personnel and its Business Associates shall declare conflicts of interest as and where actual, potential or perceived conflicts arise.

### **What is Conflict of Interest?**

A "**conflict of interest**" arises in a situation where you are or may be in a position to 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 is a Closely Related Person?**

A "**Closely Related Person**" is someone you are related to (e.g. relative or immediate family), have a personal friendship/relationship with, or anyone living in the same household as you.

Based on the MACC Act, 'relative' includes:

- Spouse
- Siblings (brother(s)/sister(s)).
- Spouse's siblings.
- Direct line of the ascendant (parent/grandparents) or descendant (children/grandchildren) including your spouse's and your spouse's siblings.
- Uncle, aunt or cousin.
- Son-in-law or daughter-in-law.

### **Types of Conflict of Interest**

There are three (3) types of conflicts of interest:

#### **a) Actual conflict of interest**

When you face a real, existing conflict. This would be the case if you can influence decisions that are to be made by the Group with respect to dealings with a business, enterprise or entity owned or partially owned by you, your family/household members, associates or friends.

#### **b) Potential conflict of interest**

When you are in or could be in a situation that may result in a conflict, but this has not fully materialised.

#### **c) Perceived conflict of interest**

When you are in or could be in a situation that may appear to be a conflict, even if this is not the case.

If you are unsure whether you have either an actual, potential or perceived conflict of interest, you should consult the Integrity Team (which consists of Group Managing Director, Executive Director, Divisional Director of Corporate and Divisional Director of Group Human Resource & Administration) for advice.

### **When do We Declare?**

The Group's Personnel and its Business Associates are required to make their declarations through the Conflict of Interest Declaration Form [**SCHEDULE A**] prior to onboarding or when there is a change of circumstances i.e. there is a situation of actual or potential or perceived conflict.

For co-worker, the completed form shall be submitted to the co-worker's Divisional Director. For Key Management, the completed form shall be submitted to the Group Managing Director and Group CEO. For Directors, the completed form shall be submitted to the Board Chairman. The Board Chairman shall, in turn, make his/her declaration to the Audit Committee ("**AC**"). For Business Associates, the completed form shall be submitted to the relevant Divisional Director.

Divisional Director/ Key Management/ Board Chairman/ Audit Committee, depending on the submitter of the Conflict of Interest Declaration Form, shall record the declaration and determine the next course of action. Subsequently, the Divisional Director/ Key Management/ Board Chairman/ Audit Committee must forward the completed form to the Integrity Team for final approval.

**Refer to the DO's below:**

- Declare any actual, potential or perceived conflict of interest to the Integrity Team.
- Periodically declare any conflict of interest according to the scheduled declarations process.
- Declare conflict of interest when taking up a new position (i.e through promotions or job transfer).
- Seek conflict of interest declaration from Business Associates you intend to deal with or have dealt with.

**Refer to the DONT's below:**

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

### **3.0 NO GIFT POLICY AND HOSPITALITY**

#### **3.1 No Gift Policy**

Personnel, including their Closely Related Person(s) are prohibited from directly or indirectly, giving and receiving gifts that may influence good judgment 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 Group, with the exceptions of the following:

- (a) A gift worth less than **RM500** per item, features the Group'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 Group'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 **RM500**.

##### **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 by completing the Gift Approval Form [**SCHEDULE B**]. In this situation, any gift with a value up to **RM5,000** must be approved by the Integrity Team; If the gift has a value above **RM5,000**, approval must be obtained from the Integrity Team, the Group Managing Director and Group CEO.

In the event that the Directors are providing any gift with a value above **RM5,000** and it does not fall within the exceptions listed above, they shall obtain the approval of the Integrity Team and Board Chairman. For the Board Chairman, he/she shall obtain approval from the Integrity Team and AC.

Once the application is approved, the application will be submitted to the finance department to approve the payment.

Even with the exceptions listed above, all Personnel, including their Closely Related Persons 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 or cash vouchers;
- (b) Any gifts to parties engaged in a tender or competitive bidding exercise;
- (c) Any gifts that come with a direct/indirect suggestion, hint, understanding or implication that some expected or desired 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 Group; 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 Group's "No Gifts" Policy.

## **Approval Process for Exceptions**

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

1. Record the gift in the Gifts Declaration Form [**SCHEDULE C**].
2. Report the gift to your Divisional Director or Group Managing Director who will make note of it in their gifts log and decide if the gift can be accepted with limited exceptions.
3. If approved, the application will be forwarded to the Integrity Team for final approval.

The 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 AC. If approved, the application will be forwarded to the Integrity Team for final approval.

Where the relevant approvers approve 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 co-worker.

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.

## **Gifts are received out of the office**

If you or your Closely Related Person(s) receive a gift off-site (e.g. your home) from Business Associates or other parties engaged in business with the Group, you must refuse and report the incident to your Divisional Director or Group Managing Director.

If you are unable to refuse, you must then report to the Integrity Team immediately for their further action, with your Divisional Director or Group Managing Director copied in your report. If you are unsure, you should consult the Integrity Team for advice or make a declaration through the Gift Declaration Form.

## **3.2 Hospitality**

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

The Group 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 desired 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 is sexually oriented;
- (f) Any hospitality provided or received that would be perceived as lavish or excessive or may adversely tarnish the reputation of the Group; or
- (g) Any hospitality offered or accepted frequently with the same party.

Personnel is 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 Group'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 Divisional Director or the Integrity Team.

#### **A. Travel, transportation and accommodation**

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

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

Any waiver requires approval from the Group Managing Director and the Group CEO.

#### **B. Providing Entertainment / Meals**

You are allowed to offer entertainment/meals to Business Associates and other parties engaged with the Group 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 guidance on what is deemed to be reasonable:

Job Grade/Position	Per Receipt: Malaysia	Per Receipt: Overseas
Assistant Manager and below	Up to RM300	Up to RM500
Team Lead / Manager	Up to RM500	Up to RM1,000
Key Management and Director	Up to RM3,000	Up to RM5,000

Personnel is required to spend within the above threshold/ limit set. In the event the claims exceed the fixed threshold, the claims will need to be approved by the Group Managing Director and Group CEO using the General Reimbursement Form [**SCHEDULE D**].

Once the application is approved, the application will be submitted to the finance department to approve the 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 Personnel is present at a business meal, the Personnel with the highest-ranking job level should pay the bill. Examples of entertainment include golf sessions and sporting events.

For the avoidance of doubt, all Directors are entitled to be reimbursed for expenses which are reasonably incurred by them in the discharge of their duties. 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 AC.

### **C. Receiving Entertainment**

The Group strictly prohibits its Personnel from soliciting hospitality or entertainment or accepting hospitality or entertainment given in response to or in anticipation of a favourable business decision.

Personnel is 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 Group's reputation but also to protect the Personnel from allegations of impropriety or undue influence.

When in doubt, you should either politely decline the offer or seek advice from your Divisional Directors or the Integrity Team.

#### **Refer to the DO's below:**

- Communicate on No Gifts Policy to third parties engaging with the Group, and request their understanding and adherence to this policy.
- Exercise good judgment when giving or receiving gifts to avoid tarnishing the Group's reputation or creating 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 fall within thresholds set out in this section and subject to prior approval (where applicable).

**Refer to the DONT's below:**

- 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 a conflict of interest that would be perceived negatively.
- Offer or accept gifts that 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 partners or any other parties engaging with the Group.
- 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 (where applicable).
- Offer or accept any gifts and/or hospitality that would be illegal or in breach of any applicable laws.

## **4.0 SPONSORSHIP AND DONATIONS**

As a responsible corporate citizen, the Group is committed to contribute to the wellbeing of the communities. It is important that all CSR, sponsorship and donations are made in accordance with the Group'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. 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 organisational structure for the proper administration of the funds;
- (c) be accurately stated in the Group's accounting books and records; and
- (d) not to be used in return for an improper business advantage or be used as a means to cover up a bribe.

For the 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 desired 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 Group; or
- (d) any sponsorship and donation that is used as a conduit to circumvent, avoid or evade the law or regulatory requirements.

All Personnel is encouraged to use good judgment 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 but are not limited to the following:

- (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; and
- (c) there is a risk of perceived improper advantage for the Group.

When in doubt, Personnel should seek further advise from the Integrity Team.

### **Approval process**

All requests for CSR and non-CSR sponsorships and donations are to be made as per the Sponsorships and Donations Request Form [**SCHEDULE E**]. After receiving the completed Sponsorships and Donations Request Form, the relevant approvers shall evaluate such request using the Sponsorships and Donations Evaluation and Approval Form [**SCHEDULE F**].

For donations/sponsorships up to **RM5,000**, approval from the Group Managing Director and Group CEO has to be obtained. For donations/sponsorships above **RM5,000**, joint approval from the Integrity Team, the Group Managing Director and Group CEO has to be obtained.

### **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 Group's resources to be used for this purpose. However, the Group encourages its 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.

**Refer to the DO's below:**

- Ensure that all request has been carefully examined for legitimacy purposes and not be made to improperly influence a business outcome.
- Ensure all requests shall be made in accordance with the Group's policies and procedures.
- Avoid making cash donations whenever possible.
- Conduct due diligence on all parties who are requesting/receiving charitable donations.

**Refer to the DONT's below:**

- Commit to a request without first undergoing proper processes and procedures to evaluate the legitimacy.
- Accept donation or provide sponsorship during or after contract negotiation/ significant event.
- Contribute on behalf of the Group 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 assets, it can be 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.

### **Managing Facilitation Payment Request**

#### **a) Co-Worker**

If you receive requests for facilitation payment you must refuse to pay and immediately report the incident to the Integrity Team with your Divisional Director or the Group Managing Director copied in your report.

If you are aware that a Co-Worker has requested a facilitation payment from Business Associates, you should also report the matter directly to Integrity Team or alternatively, through the whistleblowing channels.

#### **b) Business Associates**

Business Associates who receive requests for facilitation payments from Co-Workers must decline to pay and report the issue via the whistleblowing channels.

**Refer to the DO's below:**

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

**Refer to the DONT's below:**

- 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 the 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. The scope of the due diligence investigation should include background and credit checks, document verification and interviews as shall be determined by the respective Divisional Directors.

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

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

<b>Party</b>	<b>When</b>	<b>Who</b>
Co-Workers	Prior to onboarding new employees, promotion and transfer	<ul style="list-style-type: none"> <li>Divisional Directors, Group Human Resource &amp; Administration for co-workers (permanent or contract)</li> </ul>
Business Associates and other parties the Group engages with	<ul style="list-style-type: none"> <li>Prior to first engagement, renewal of contracts, performance evaluations, an incident of misconduct, changes in circumstances.</li> <li>If contract value exceeds more than <b>RM500,000.00</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Divisional Director, Group Contracts &amp; Procurement for vendors</li> <li>Respective business units Team Lead engaging with the parties (for others)</li> </ul>

#### **Due Diligence Process**

##### **A. Dealing with Co-Workers**

Background on the shortlisted candidate(s) is collected during the evaluation stage of the recruitment process as per the Employment Application Form [**SCHEDULE G**]. Key considerations prior to acceptance of shortlisted candidate(s) cover the following:

- i. Past criminal records (if any);
- ii. Potential fraud, bribery or corruption committed in the previous organisation;
- iii. Verification of past employment or institution of learning references, where applicable; and
- iv. Conflict of interest, i.e relationship with any existing Personnel.

The collected background details shall be vetted by the Divisional Director, Group Human Resource & Administration prior to acceptance of the candidate for all executives and non-executive positions.

Newly recruited co-workers shall be provided with an onboarding programme, including the briefing on the Group's ABAC Policy and the ACF Manual.

## **B. Dealing with Business Associates and other parties the Group engages with**

The Group is committed to upholding the highest standard of ethics and integrity in all aspects of its procurement and business activities by:

- i. Adhering to the procurement policies and procedures;
- ii. Avoiding dealing with any Business Associates who are known or reasonably suspected of corrupt practices;
- iii. Ensuring that all new Business Associates are subject to a background assessment and conflict of interest check prior to registration and acceptance; and
- iv. Communicating the Group's ABAC Policy and the ACF Manual requirements to the vendor, sub-contractors or agents.

The Divisional Directors shall request the Business Associates and other parties the Group engages with, to complete a Due Diligence Assessment Form [**SCHEDULE H**] which will provide guidance in decision making, such as whether to continue the relationship with these parties. The key components of Business Associates due diligence procedures cover the following but may vary depending on the circumstances:

- i. Corporate profile;
- ii. Company search via Suruhanjaya Syarikat Malaysia ("SSM");
- iii. Financial background;
- iv. Directorship;
- v. Past records of criminal, bribery or corruption cases; and
- vi. Potential conflict with existing Personnel.

The completed Due Diligence Assessment Form shall be submitted to the Group Managing Director and Group CEO. The results and/ or any concern raised during this due diligence assessment must be communicated to and with approval from the Group Managing Director and Group CEO prior to entering into the relationship.

The Due Diligence Assessment Form is non-exhaustive and Divisional Directors or Team Leads are encouraged to add where deemed fit. Any unsatisfactory answer to the assessment shall be treated as potential risk areas by the Divisional Directors.

### **6.2 Internal Controls**

#### **A. Segregation of Duties**

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

Non-financial activities, it is required of at least 2 levels of verification (i.e. preparer and reviewer)

Financial related matters, the Group adopts the 5 layers of checking which comprises a preparer, reviewer by Team Lead, verifier by Divisional Director, second reviewer and approver from Finance Department.

#### **B. Limits of authority**

Limits of Authority (LOA) stipulates the approval authority delegated to Co-Workers which includes disbursement, payment, claims etc.

These limits are reviewed regularly and approved by the Key Management 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 Group 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 risks are linked to the strategic goals and objectives.

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

#### **Bribery Risk Assessment**

Bribery Risk Assessment (“**BRA**”) focuses on analysing root cause, impact to the Group and the mitigation plan shall be conducted on a regular basis.

The BRA process includes the following process:

<b>Bribery Risk Assessment Process</b>		<b>Description</b>
Step 1	Risk Identification	Identifying all potential risks related to bribery, corruption, donations sponsorship etc in each process.  All ACF Manual 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 is 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 plans need to be performed on a continuous basis.
Step 5	Risk Reporting	Reporting of any instance to the relevant parties to ensure effective communication which includes: a) Periodic update to the Board and AC. b) Reporting on alleged and actual breaches.

### **6.4 Audit**

The Integrity Team oversees and monitors the performance of and compliance with the ACF Manual. An internal audit review of the ACF Manual shall be carried out by the Integrity Team on an annual basis to evaluate compliance with the ACF Manual and to identify areas for improvement.

The findings of the audit shall be presented to the AC and to the Board for review.

## **6.5 Record Keeping**

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

All ACF Manual stakeholders are responsible for keeping proper documentation in their course of complying with the ACF Manual.

All documentation in relation to the ACF Manual shall be kept in the manner prescribed by the Integrity Team and it is the responsibility of all ACF Manual 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 ACF Manual will be taken seriously and are subject to disciplinary actions.

Where non-compliance with the ACF Manual is detected or a complaint is received, the Integrity Team shall oversee the investigation process.

## **8.0 WHISTLEBLOWING**

### **Open Door and Speak Up**

We encourage openness, transparency and accountability in ensuring prompt action is taken where necessary, in order to mitigate any potential financial or reputation damage arising from serious forms of misconduct.

We also encourage reporting (whistleblowing) (whistleblowing) of real or suspected cases of bribery and corruption without fear of retaliation or reprisal.

We have in place a Whistleblowing Policy, which provides channels for secure reporting of concerns about instances of bribery and corruption and other forms of misconduct.

### **Whistleblowing Channels**

The whistleblowing channels available include the email to [whistleblower@aspen.com.my](mailto:whistleblower@aspen.com.my). The whistleblowing channels are managed by the Group Human Resource & Administration Team who also assumes primary responsibility for the investigation and recommendation to the Board.

Anonymous report will not be entertained as there must be sufficient evidence in order for the Group to conduct an investigation. Hence, you are encouraged to provide detailed, factual information to assist with the investigation (i.e. who, what, where, when, how).

All disclosures are protected with confidentiality and the whistleblower's identity will be protected against retaliation in any form, provided that the report is done in good faith.

**Refer to the DO's below:**

- Report any real or suspected cases of bribery, corruption or misconduct through the designated whistleblowing channels.
- Provide detailed, factual information to assist with the investigation (i.e. who, what, where, when, how).
- Provide your contact details when reporting through whistleblowing channels. While anonymous reporting is allowed, you are strongly encouraged to provide some form of contact details e.g. email, for the Group Human Resource & Administration Team to update you on the investigation progress.
- Encourage the Business Associate or any parties engaging with us to report any concerns through the whistleblowing channels.

**Refer to the DONT's below:**

- Report false, baseless, or malicious allegations.
- Fear retaliation or reprisal for reporting in good faith.