



ANTI-BRIBERY & ANTI-CORRUPTION POLICY AND HANDBOOK  
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**ARAS NIAGA MAKMUR GROUP BERHAD** (201001019319)

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# ANTI-BRIBERY & ANTI-CORRUPTION POLICY AND HANDBOOK

ABAC Policy and Handbook is issued pursuant to Section 17A (5)  
Malaysian Anti-Corruption Commission Act 2009  
(Act 694) ("MACC Act 2009")



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# PREFACE

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## POLICY STATEMENT

The Board of Directors of Aras Niaga Makmur Group Berhad, including its subsidiaries ("Group") adopts a zero- tolerance policy against all forms of bribery and corruption.

This Anti-Bribery and Anti-Corruption Policy and Handbook ("ABAC Policy & Handbook") was developed to provide an overview of the key principles out the Code of Conducts and Ethics, as published at <http://www.makmurgroup.org.my> This ABAC Policy and Handbook will elaborate on the principles in relation to Corruption, by providing guidance to employees on how to deal with any improper solicitation, bribery and other corrupt activities and issues that may arise in the course of doing business.

## RELATED DOCUMENTS

This ABAC Policy and Handbook shall be read together with other related internal policies/ frameworks/ procedures/ guidelines/ manuals (including but not limited to Code of Conduct and Ethics, Whistleblowing Policy & Procedures, [Employee Handbook] and other policies) and /or external policies/ frameworks/ procedures/ guidelines/ manuals issued by the authorities.

## GETTING HELP

Should any business associates, personnel or parties that are engaged with the Group require any clarifications or explanations in relation to this ABAC Policy or the ABAC Policy and Handbook, you are encouraged to consult the Compliance Officer or the Board Chairman or the Audit Committee Chairman, or if you are an employee of the Group, employees are encouraged to consult their immediate supervisors or head of department of their respective division/department or to the Compliance Officer or the Board Chairman or the Audit Committee Chairman.



# INTRODUCTION

This ABAC Policy and Handbook is issued pursuant to section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) ("MACC Act 2009"), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("Amendment Act 2018").

There are four (4) main offences prescribed by MACC Act 2009 (Amendment Act 2018):

- 1) Soliciting/ Receiving Gratification (Bribe) as per section 16 & 17(a);
- 2) Offering/ Giving Gratification (Bribe) as per section 17(b);
- 3) Intending to Deceive (False Claim) as per section 18; and
- 4) Using Office or Position for Gratification (Bribe) as per section 23.

In conjunction with the above, the Group decides to adopt this anti-bribery and anti-corruption management process. The need to implement this process is to support sustainable developmental goal by combating corruption.

In principle:

- ❖ We adopt a zero-tolerance policy against all forms of bribery and corruption.
- ❖ We are committed to dealing with business associates and government officials in a fair, transparent and ethical manner.
- ❖ We prohibit any receiving, giving or promise of facilitation payments.
- ❖ We conduct due diligence on all personnel, business associates, projects and business activities, in particular where there is significant exposure to bribery and corruption risk.
- ❖ We adopt a "No Gifts" policy, subject to certain limited exceptions.
- ❖ We prohibit offering or accepting hospitality subject to certain limited exceptions
- ❖ We allow charitable donations and sponsorships for legitimate reasons. We do not make political donations.
- ❖ We strongly encourage reporting (whistleblowing) of real or suspected cases of non-compliance without fear of retaliation or reprisal.

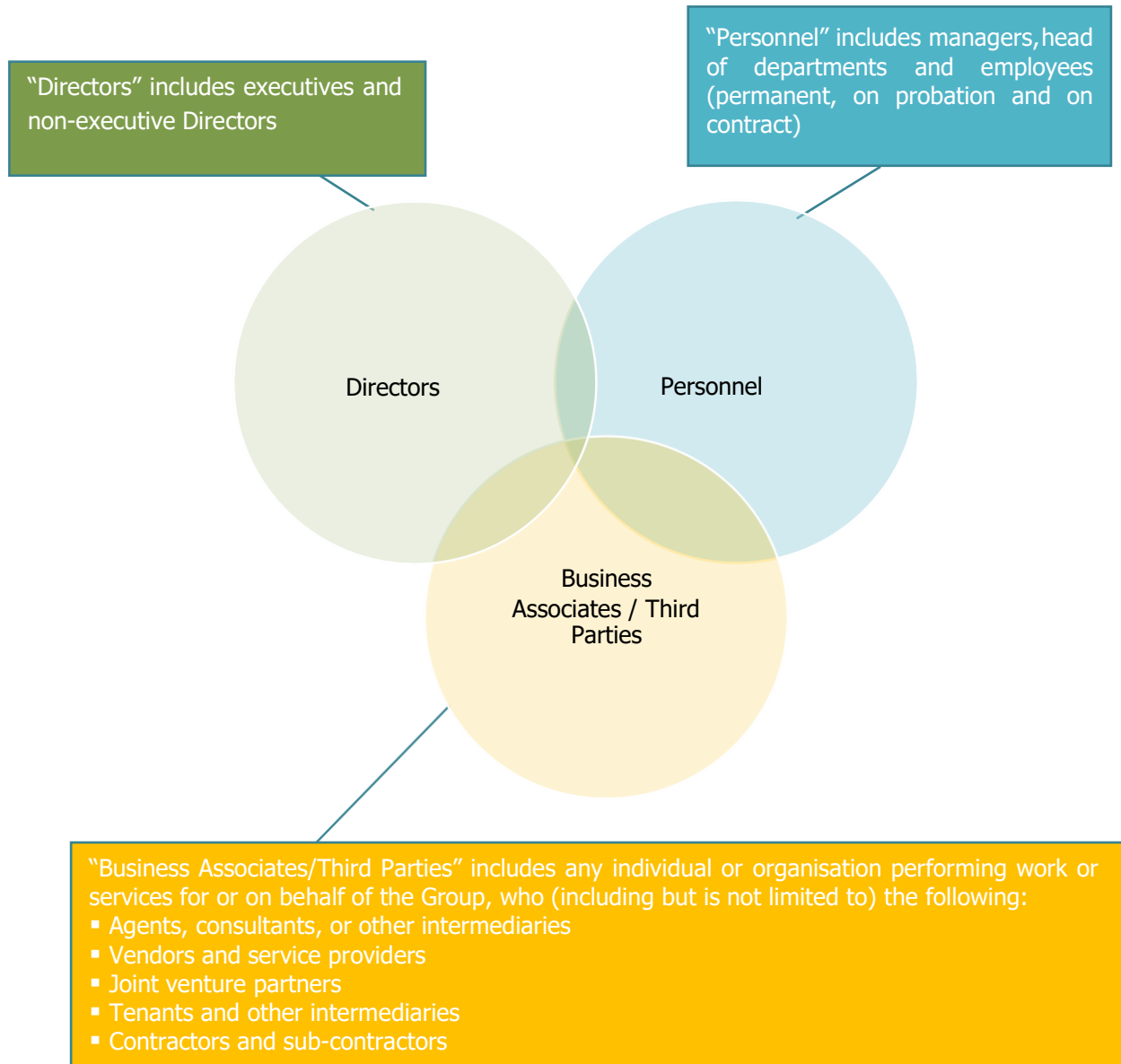
This ABAC Policy Handbook is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide a guideline on how the Group combats bribery and corruption in furtherance to the Group's commitment toward lawful conduct and ethical behaviour at all times.

## 1.0 OBJECTIVES

The objective of this ABAC Policy Handbook are amongst others: -

- 1) To foster the growth of a business environment that is free of corruption;
- 2) To ensure all Directors and Personnel of the Group takes reasonable measures to ensure their daily activities do not involve in corrupt activities; and
- 3) To provide guidance on how to recognise and deal with bribery and corruption issues.

## 2.0 APPLICATION



## 3.0 COMPLIANCE

### 3.1 Read

A copy of this ABAC Policy Handbook has been circulated and/or notified to all Directors, Personnel and Business Associates/Third Parties and a copy is available at our website [www.makmurgroup.org.my](http://www.makmurgroup.org.my).

All Directors, Personnel and business associates/ third parties are encouraged to read, understand, comply and declare their acceptance and compliance with this ABAC Policy. All Directors and Personnel are required to report any suspicions on breaches of this ABAC Policy in accordance with the Group



Whistleblowing Policy & Procedures. The Group shall make a report to the relevant enforcement authority upon actual conviction by any Directors and/or Personnel.

We also expect all Business Associates and/or Third Parties that are engaging with the Group to read, understand and comply with this ABAC Policy.

### 3.2 Consequence of non-compliance

This ABAC Policy is based on legal requirements, and any violation could subject the Group, its Directors and/ or its Personnel to penalties including fines, imprisonment and other criminal or civil sanctions. Violation of this ABAC Policy may also result in reputational damage or loss of accreditation. In view of the above, the Group view any non-compliance as a serious breach.

#### 3.2.1 Failure by Directors and Personnel

Failure by Directors and/or Personnel of the Group to comply with this ABAC Policy, 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.

#### 3.2.2 Failure by Business Associates / Third Parties

Failure by business associates / third parties to comply with this ABAC Policy may result in the termination of the business relationship between the Business Associates/ Third Party with the Group.

## 4.0 CHANGES, LAW AND CONFLICT

In the interest of maintaining best practice, this ABAC Policy shall be reviewed every three (3) years or as and when deemed necessary, or as requested by the Group. The Group reserves the right to change any of the policies in this ABAC Policy and Handbook without notification, Directors, Personnel, Business Associates / Third Parties should check the latest ABAC Policy handbook in our website periodically for any updates.

This ABAC Policy is subject to the laws and regulations of Malaysia. In the unlikely event of any conflict or inconsistency between the provisions of this ABAC Policy and the laws and regulations of Malaysia, the latter shall prevail.



# RISK: ANTI-BRIBERY & ANTI-CORRUPTION

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## 1.0 OUR PRINCIPLE

We adopt a “zero-tolerance position on all forms of bribery and corruption”.

## 2.0 ANTI-BRIBERY & ANTI-CORRUPTION

In line with Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”) and the Guidelines of Adequate Procedures by the Prime Minister’s Office, the Group has developed and implemented this ABAC Policy as a comprehensive set of measures to combat bribery and corruption of all forms related to the Group’s business and operations.

### 2.1 Bribery

Under the MACC Act, “gratification” or what most people call “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.

### 2.2 Corruption

Corruption is defined as the abuse of office or position for personal gain or the misuse of position to help others in improperly enriching themselves or getting power. Corruption has a broader definition than bribery.

## 3.0 OFFENCES

Engaging in bribery and corruption is illegal according to both local and international legislation. You must be aware that 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 at least five times the sum or value of the relevant bribe (gratification)

## 4.0 FORM OF BRIBERY AND CORRUPTION

### 4.1 Kickbacks

These are bribes fulfilled after a company has awarded a contract. They take place in purchasing, contracting, or other departments responsible for decisions to award contracts. The supplier provides the bribe by giving part of the contract fee back to the buyer, either directly or through an intermediary.

### 4.2 Facilitation payments

These are typically small payments made to secure or expedite the performance or action to which the payer is entitled, legally or otherwise.





### 4.3 Charitable and political donations, sponsorship, travel, and promotional expenses

These are legitimate activities for entities but can be abused by being used as a subterfuge for bribery.

### 4.4 Patronage

Favouritism in which a person is selected, regardless of qualifications, merit, or entitlement, for a job or benefit because of affiliations or connections.



#### YOU SHOULD

- Read, understand, comply
- Be aware of "red flags"
- Attend ABAC Policy training.
- Report any non-compliance.



#### YOU SHOULD NOT

- Participate in any illegal or illicit acts of bribery or corruption.
- Misuse your position or the Group's name for any 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 associates in making false claims relating to workorders/ projects/ products and services.



# RISK: "NO GIFTS" POLICY

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## 1.0 OUR PRINCIPLE

We adopt a "No Gifts" policy, subject to certain limited exceptions. This means that Directors and Personnel, including their family members\* are prohibited from directly or indirectly, giving and receiving gifts that may influence good judgement and decision making, subject to certain limited exceptions.

*\*"Family members" includes spouse(s), children (including step-children and adopted children), parents, stepparents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household*

## 2.0 GIVING GIFTS

Generally, Personnel including their family members are not allowed to give gifts to business associates and other parties engaging with the Group, with the exception of the Directors of the Group.

## 3.0 RECEIVING GIFTS

If you are offered or receive a gift from an external party, you are required to politely refuse or return the gift, and inform the giver of this "No Gifts" Policy.

However, in circumstances where it is not possible to refuse or return a gift, or the refusal is likely to cause serious offence, you should:

- 1) Record the gift in the Gifts Received Declaration Form (APPENDIX 1).
- 2) Report the gift to your HOD/Compliance Officer who will make note of it in their Gifts Log and decide if the gift can be accepted with the limited exceptions.

## 4.0 ACCEPTING GIFTS

If the HOD/Compliance Officer decides to accept the gift, he/she must determine the following treatment of the gift:

- 1) Allow Personnel to keep the gift;
- 2) Display the gift in public; or
- 3) Share the gift among Personnel.

## 5.0 RETURNING GIFTS

If the HOD/Manager decides to return the gift, it must be accompanied with a polite notification of "No Gifts" Policy. Upon making the decision, the HOD/Manager shall then notify Compliance Officer on his/her decision.

## 6.0 GIFTS RECEIVED OFFSITE

If you or your family members receive a gift off-site (e.g. your home) from a business associate or other parties engaged in business with the Group, you must refuse and report the incident to your HOD/Manager. If you are unable to refuse, you must then report to Compliance Officer immediately for their further action, with your HOD/Manager copied in your report. If you are unsure, you should consult Compliance Officer for advice or make a declaration.

## 7.0 LIMITED EXCEPTIONS FOR GIVING AND RECEIVING GIFTS

Although generally we practice a "No Gifts" Policy, you are allowed to give and receive gifts from business associates and other parties engaged with the Group provided they fall within the following limited exceptions:

- A gift is worth less than RM300 per item, features company's logo or brand (e.g. diaries, lanyards, pens, etc.), and is part of a marketing or promotional campaign.
- The gift is exchanged at a company-to company level (e.g. for official events or launches);
- The gift is a token of appreciation at an official function or public event (e.g. door gifts at conferences, open house);
- The gift is given as part of the Group Corporate Social Responsibility ("CSR") programme



### YOU SHOULD

- Communicate "No Gifts" Policy to any business associates any parties engaging with the Group, and request their understanding and adherence to this policy
- Exercise good judgement when giving or receiving gifts so as to avoid tarnishing reputation or creating a negative perception of bribery and corruption
- Politely refuse or return any gift offers. You may only accept them if they fall within the very limited exceptions, as stated in this section.
- Record and report any gifts received from business associates and parties engaged with the Group, except those that falls within the very limited exceptions, as stated in this section.



### YOU SHOULD NOT

- Offer or accept any gift of cash or cash equivalents including tickets, discounts, coupons and gift vouchers.
- Offer or accept gifts which do not fall within the limited exceptions, as stated in this section.
- Offer or accept any gifts 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.
- Accept gifts that are delivered off-site (i.e. your home) from business associates or any other parties engaging with the Group.

# RISK: DONATIONS AND SPONSORSHIPS

## 1.0 OUR PRINCIPLE

We only allow charitable donations and sponsorships for legitimate reasons and as permitted by existing laws and regulations. However, these charitable donations and sponsorships may be misused or perceived as vehicles for bribery and corruption.

## 2.0 POLITICAL DONATIONS

We do not make political donations (i.e. donations or contribution to politicians and political campaigns) or CSR where the beneficiaries are controlled by any political officials whether in monetary or in-kind, and we do not allow the Group's resources to be used for this purpose.

## 3.0 PERMISSABLE

Charitable donations and sponsorships can be made to legitimate organisations, such as those:

- Registered with the Registrar of Society (ROS);
- Are in line with the Group's CSR programme; or
- Already approved by the Board of Directors.



### YOU SHOULD

- Ensure that contributions are only made to legitimate organisations.
- Ensure payments or requests for donations and sponsorships are accurately documented.
- Avoid making cash donations whenever possible.
- Conduct due diligence on all parties who are requesting/receiving the charitable donations and sponsorship.



### YOU SHOULD NOT

- Accept charitable donations or provide sponsorship request made by parties engaging with the Group, during or after a contract negotiations / significant events.
- Make charitable donation or provide sponsorship in cash to individuals, unless approved by either Directors or the Board.
- Use donations and sponsorships to secure business deals.
- Contribute on behalf of the Group to political parties, party officials or candidates for political office.
- Accept any offer for sponsorship that will influence decision making.



# RISK: HOSPITALITY & ENTERTAINMENT

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## 1.0 OUR PRINCIPLE

We prohibit offering or accepting hospitality and/or entertainment, subject to certain limited exceptions.

## 2.0 GIVING HOSPITALITY

We recognise that providing hospitality whether through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.

While providing hospitality is a reflection of the Group's courtesy and goodwill, Directors and Personnel must exercise proper care to protect the Group's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision.

There should be explicit, clear and transparent criteria to determine the selection of guests to be invited to the Group's events. Reasonable due diligence should be exercised, particularly when the arrangements involve public officials.

All expenses incurred to provide the corporate hospitality must be properly kept, documented and recorded by the respective division/ department for audit purposes.

## 3.0 GIVING ENTERTAINMENT

Although we recognise that providing modest entertainment is a legitimate way of building business relationships and a common practice within the business environment to foster good business relationships with external clients and other third parties, Directors and Personnel are reminded to bear in mind that this is where perception is more important than facts and therefore Directors and Personnel should always exercise proper care and judgment when providing entertainment to third parties especially when it involves public officials to ensure compliance with this ABAC Policy and the Code of Conduct & Ethics Policy.

All expenses incurred to provide the entertainments must be properly kept, documented and recorded by the respective division/ department for audit purposes

## 4.0 RECEIVING HOSPITALITY & ENTERTAINMENT

Directors and Personnel are also encouraged not to accept hospitality and entertainment that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise

We recognize that the occasional acceptance of an appropriate level of hospitality and entertainment given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important that Directors and Personnel exercise proper care and judgement before accepting the hospitality and entertainment. This is not only to safeguard the Group's reputation, but also to protect Directors and Personnel from allegations of impropriety or undue influence.

If the employees have any doubts on the appropriateness of a hospitality and entertainment offered by an external party, they should either decline the offer or consult with the Compliance Officer.



**YOU SHOULD**

- Only offer and accept any hospitality and/or entertainment if it falls within thresholds set out in this section.
- Exercise proper care and judgement before offering or accepting hospitality and/or entertainment.
- Accurately record and report to respective superior or head of department.
- Seek Compliance Department's advises if unsure.



**YOU SHOULD NOT**

- Offer or accept any hospitality and/or entertainment that may create a sense of obligation, or comes with a direct/indirect suggestion, hint or expectation of special treatment that would be perceived negatively.
- Offer or accept any hospitality and/or entertainment creates a perception that harms the reputation of the Group.

# RISK: FACILITATION PAYMENT

## 1.0 OUR PRINCIPLE

We prohibit any receiving, giving and promising of facilitation payments.

## 2.0 FACILITATION PAYMENT

“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.

## 3.0 IDENTIFYING AND DEALING

### 3.1 Identifying

If you are unable to identify between a legitimate request for payment in exchange for a service, and an illegal request, stop and ask yourself these questions:

- 1) Am I able to obtain an official receipt for the payment?
- 2) 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.

### 3.2 Dealing with the request

If you receive requests for facilitation payment you must decline the request and immediately report the incident to Compliance Officer and send a copy of the report to your superior or head of department.



#### YOU SHOULD

- Be aware of any signs to facilitation of payment.
- Report the incident immediately.
- Ask for official receipts.
- Seek our Compliance Department's advises if unsure.



#### YOU SHOULD NOT

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



# IMPLEMENTATION: DUE DILIGENCE

## 1.0 OUR PRINCIPLE

We are committed to conduct due diligence on Directors, Personnel, Business Associate / Third Parties, Government/ Public Officials or any party who is engaged to work for and on behalf of the Group, projects and major business activities, prior to engagement with them, in particular where there is significant exposure to bribery and corruption risk.

## 2.0 CONDUCT DUE DILIGENCE

It is important for us to know who we are working with, be it Directors, Personnel, Business Associate / Third Parties, Government/ Public Officials or any party who is engaged to work for and on behalf of the Group.

The purpose of due diligence is to serve as a guide to Directors, Personnel and Compliance Officer in making a decision whether to continue the relationship with the third party. Any unsatisfactory answer to the non-exhaustive due diligence checklist shall be treated as red flags. Based on due diligence results, we may either decline, suspend or terminate relationships with Personnel, Business Associate / Third Parties, Government/ Public Officials or any other parties engaging with the Group to protect the Group from any legal, financial and reputation risk.

The due diligence process should be aimed at obtaining sufficient information in order to assess if there are bribery risks posed by these parties.

## 3.0 METHOD

Directors and Personnel are encouraged to use the due diligence checklist as a guide. Refer to Appendix III.

|                     | WHEN   | WHO   |
|---------------------|--|---|
| PERSONNEL           | Prior to onboarding new employees, promotion, transfers, incidences of misconduct  | HR department   |
| BUSINESS ASSOCIATES | Prior to first time engagement, renewal of contracts, performance evaluation, incidents of misconducts, changes in circumstances | Respective business functions engage in with the parties            |
| PROJECTS            | Prior to the commencement of a project<br>As and when there are changes in the circumstances                                     | Respective head of department/manager/personnel leading the project |





## 4.0 RED FLAGS

If at any point during the due diligence exercise or in the dealings with a third party, there are “red flags” being raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress.

If all identified red flags are sufficiently mitigated, then the Directors or Personnel could proceed with the relationship. Similarly, if no red flags have been identified, then the Directors or Personnel can proceed with the engagement (to satisfy that reasonable steps had been taken to address the corruption risk of the third party).

If red flags have been identified but not sufficiently mitigated, then it is critical that further work is undertaken prior to entering into any contract or relationship. All red flags will need to be resolved or mitigated.

The most common/ direct way of resolving a red flag will be to contact the third party directly. In particular, the third party should be asked what measures they have taken to resolve the risk.

If the red flags relate to a historic investigation in corrupt activity where no convictions happened, then the red flag can be considered mitigated (though it is prudent to seek further information or background of the circumstances).

The Directors or Personnel may also consider imposing conditions to reduce any perceived risk such as training for the third party’s employees or imposing anti-corruption policies on the third party. This could be reinforced via contractual provisions. In some circumstances, the red flags are unsubstantiated rumours which have not been formally investigated by the authorities or law enforcement agencies or proven in a court, tribunal or equivalent. Under this scenario, the Directors or Personnel may proceed with the contract. Nevertheless, it is advisable that the Directors or Personnel to continuously monitor the situation and immediately highlight to the Compliance Officer if any adverse findings noticed.

Where the division/ department finds that the red flags still could not be mitigated or resolved despite all of the non-exhaustive measures, the Directors or Personnel shall not proceed with the relationship with the third parties.

For any third party with positive Government/Public Officials trace, and the Directors or Personnel has decided to commence the relationship whereby the interests are also not prohibited by the Group’s Code of Conduct and Ethic Policy, the disclosure and Third-Party Declaration is a mandatory [ Refer to Appendix II].

# IMPLEMENTATION: WHISTLEBLOWING

## 1.0 OUR PRINCIPLE

We are committed to provide an avenue for all Directors, Personnel and members of the public to raise concerns about any suspected and / or known improper conduct that they may observe occurring within the Group without fear of reprisal.

## 2.0 REPORT

We have formulated a Whistleblowing Policy, which provides channels for secure reporting. You may lodge an anonymous report and all reported concerns will be treated confidentially and are kept protected against any unauthorized use and access.

In your report sufficient evidence must be presented, in order for us to conduct an investigation. You are therefore encouraged to provide detailed and factual information to assist with the investigation such as who, what, where, when, and how.

You may direct your report to our Compliance Officer by :-

- Email ([whistleblowing@makmurgroup.org.my](mailto:whistleblowing@makmurgroup.org.my))
- Written letters to: No. 36-37-47-104, Pusat Komersil Saujana 1, S2 Height 70300 Seremban, Negeri Sembilan, Malaysia

### NOTE:

Further details on whistleblowing are elaborated in the Whistleblowing Policy as published on our website at [www.makmurgroup.org.my](http://www.makmurgroup.org.my)



DO'S

### YOU SHOULD

- Report any real or suspected cases of bribery, corruption or misconduct to [whistleblowing@makmurgroup.org.my](mailto:whistleblowing@makmurgroup.org.my)
- Provide detailed and factual information to assist with the investigation (i.e. who, what, where, when, how).
- provide some form of contact details e.g. email, for the Whistleblowing Committee to update you on the investigation progress.



DON'TS

### YOU SHOULD NOT

- Report false or malicious allegations.
- Report baseless and unsupported allegations.



# IMPLEMENTATION: DEALINGS

## 1.0 OUR PRINCIPLE

We are committed to conducting our business in a fair and transparent and ethical manner.

## 2.0 BUSINESS ASSOCIATES / THIRD PARTIES

Business associates includes vendors, contractors, sub-contractors, consultants, agents, representatives, tenants and other intermediaries who are performing work or services, for and on behalf of the Group. In order to ensure our operation, remain free of bribery and corruption, we are committed in establishing mutually beneficial relationships with business associates, who apply either the same or higher standards of ethics and integrity.

This means that we expect all our business associates/third parties to adhere to our stance on bribery and corruption. Through this, we will undertake to:-

- 1) carry out appropriate due diligence to assess the integrity of the prospective business counterparties. Refer to Appendix III
- 2) ensure that this ABAC Policy Handbook is made aware to all Business Associates / Third Party;
- 3) ensure that all Business Associates/ Third Parties executes the Third-Party Declaration (where necessary) Refer to Appendix II; and
- 4) monitor Business Associates/Third Parties periodically to ensure ongoing compliance.

## 3.0 GOVERNMENT OR PUBLIC OFFICIALS

"Government/ Public Officials" includes a person who works for or is an agent of a government owned or government-controlled entity. This includes elected and appointed officers or employees of national, municipal or local governments (including individuals holding legislative, administrative and judicial positions), officials of political parties and candidates for political offices, employees of government or state-controlled companies and Government-Linked Companies ("GLCs").

Dealing with Government/ Public Officials require particular care and consideration because a Government / Public Officials is in a position of influence and could use this influence in relation to the contract or the contract could affect decision making in their official role. You must exercise more caution when working with Government/ Public Officials due to strict local and international laws that govern the interface between the private and public sectors.

Offering a gift or hospitality to a Government/ Public Officials is considered a "red flag"\* situation as it creates a negative perception of bribery and corruption, and Directors and Personnel are encouraged to exercise extra care and judgement to ensure the gift or hospitality does not create a conflict of interest between you, the Group and the official, and is not perceived as being used for corruption.

*\*Red flags here include request for (i) unusual or suspicious payment, (ii) gifts and hospitality or (iii) "off-record" transactions.*

Through this, we will undertake to:-

- 1) carry out appropriate due diligence to assess the integrity of the counterparties;
- 2) ensure that this ABAC Policy Handbook is made aware to the representatives of the Government / Public Officials that the Group has dealings with;
- 3) monitor all dealings with the Government / Public Officials periodically to ensure ongoing compliance.

## 4.0 RECRUITMENT

This is crucial to ensure that no element of corruption is involved in the hiring of employees. The Group will conduct proper detailed background checks to ensure that all potential employee has not been convicted in any corruption and / or bribery cases. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.



### YOU SHOULD

- Deal in an open, transparent and professional manner.
- Keep detailed documentation of any dealings and interactions.
- Exercise proper care and judgements when dealing.
- Exercise extra care and judgement when dealing with Government / Public Bodies.
- Be aware of any sign that you are being asked to engage in bribery or corruption.
- Carry out due diligence on all potential Business Associate, Third Parties, Government/Public Bodies.
- Monitor compliance of this ABAC Policy by Business Associate, Third Parties, Government/Public Bodies.



### YOU SHOULD NOT

- Engage with Business Associates, Third Parties, Government / Public Bodies who refuse to adhere to our ABAC Policy.
- Fail to carry out due diligence on Business Associates, Third Parties, Government / Public Bodies or any potential employees.
- Fail to report any real or suspected incidents to our Compliance Department or via the whistleblowing channels.
- Conceal, alter, destroy or modify any documentation (i.e. receipts, invoices) or other communication that relates to any gift, hospitality or entertainment provided to Business Associates, Third Parties, Government / Public Bodies.



# POST-IMPLEMENTATION: RECORD KEEPING AND RETENTION PERIOD

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## 1.0 OUR PRINCIPLE

We are committed to proper record keeping and retention of all records, to enable the Group to comply with any requests from the relevant authorities.

## 2.0 RECORD KEEPING

### 2.1 Due Diligence Records

All departments shall maintain written records evidencing that due diligence has taken place and that any risks identified have been carefully considered and mitigated as practicably as possible.

### 2.2 Other Documents

All departments shall ensure that all records, operational work documents, other documents, and transactions are kept in proper filing formats.

## 3.0 RETENTION POLICY

Each department shall ensure that all due diligence, records, operational work documents, other documents, and transactions are retained for a period of at least seven (7) years after the relationship is terminated/exited/completed.

# POST-IMPLEMENTATION: CORRUPTION RISK MANAGEMENT

## 1.0 OUR PRINCIPLE

We shall conduct corruption risk management assessment periodically or when there is a change in law or circumstances of the business or at the minimum of once in every three (3) years to identify, analyze, assess and priorities the internal and external corruption risk of the organization.

## 2.0 REASON

All organization are exposed to corruption risk, that exist on all levels of management and involves internal and externally. Corruption risk management assessment is a management process that helps to identify structural weaknesses that may facilitate corruption, provides a framework to identify risk factors and treatments, and embeds corruption prevention within a well-established governance framework. Corruption risk management serves as an important pillar in corruption prevention initiatives.

## 3.0 METHOD

This risk base approach helps the Group to focus on key processes or activities that have high exposure to potential corruption risk, and allow the Group to assess, evaluate and enhance its ABAC Policy from time to time. It is an approach where critical risks are identified and effectively managed.



### 3.1 Identify

Identifying all potential risks of corruption, bribery, donations, sponsorships, facilitation payment in each, activity and system. Two typical questions could be used to assist in identifying the risk i.e. "what can happen" and "how can it happen".



### 3.2 Assessment

To estimate the magnitude of each type of risk which had been identified i.e. the likelihood and impact on the Group.

### 3.3 Control

If the existing controls are insufficient to mitigate the corruption risk, then the following should be adhere to: i) enhancing existing controls through better supervision, improved systems and policies; ii) implement new controls which are practical and doable; and iii) introduce new methods of detecting the particular risk.

### 3.4 Reporting

The reporting of any corruption risk shall be immediately within seven (7) working days of the occurrence to our Compliance Officer.

### 3.5 Monitoring

The monitoring of corruption risk, controls, and action plans shall be on continuous basis. An effective monitoring process is essential in detecting and correcting any deficiencies in the divisional/ departmental policies and processes.



# APPENDIX I: GIFTS, ENTERTAINMENT & HOSPITALITY DECLARATION

## Gifts, Entertainment and Hospitality Declaration Form

|               |   |  |
|---------------|---|--|
| Employee Name | : |  |
| Position      | : |  |
| Department    | : |  |
| Date          | : |  |

| GIFTS, ENTERTAINMENT OR HOSPITALITY TO DECLARE |                     |                          |  |         |
|--|---------------------|--------------------------|--|---------|
| ITEM RECEIVED                                  | DESCRIPTION OF ITEM | ESTIMATED / ACTUAL VALUE | GIVEN BY (GIVER NAME AND ORGANISATION) | REMARKS |
| 1.   |                     |                          |  |         |
| 2.   |                     |                          |  |         |
| 3.   |                     |                          |  |         |
| 4.   |                     |                          |  |         |
| 5.   |                     |                          |  |         |

| ADMINISTRATIVE                |   |  |           |   |
|-------------------------------|---|--|-----------|---|
| HOD REMARKS                   | : |  | SIGNATURE | : |
|                               |   |  | NAME      | : |
|                               |   |  | DATE      | : |
| COMPLIANCE DEPTARMENT REMARKS | : |  | SIGNATURE | : |
|                               |   |  | NAME      | : |
|                               |   |  | DATE      | : |





## APPENDIX II: THIRD-PARTY DECLARATION

### Third-Party Declaration Form

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

Key Contact Person: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Relationship with the Group: \_\_\_\_\_

I/We are fully aware that ARAS NIAGA MAKMUR GROUP BERHAD and its subsidiaries ("the Group") are committed to acting professionally, fairly and with integrity in all of its business dealings and relationships wherever it operates to counter bribery and corruption. As such, I/we hereby declare and confirm that I/we have read and viewed the ABAC Policy Handbook obtained from the Group's website [www.makmurgroup.org.my](http://www.makmurgroup.org.my)

I/we confirm that to our best of knowledge, I/we have not been convicted nor are subject to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and I/we undertake to report to the Group any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law immediately upon our knowledge of the same.

I/we declare and confirm that we do not create any false documents and all documents submitted are true and reflect in a transparent way our cooperation with to the Group. II/we further declare and confirm that I/we shall not offer, give, solicit or accept any bribe or form of bribe during the course of our engagement or engage in any transaction that contravene the Malaysian Anti-Corruption Commission Act 2009, any applicable anti-bribery or anti-corruption legislation, by-laws, rules and regulations ("MACC laws") as may be imposed by the relevant authorities and/or internal policies.

In the event I/we are in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, we understand that the Group shall take the necessary actions against us and I/we shall fully indemnify the Group against any claims, fines, losses and/or damages suffered by the Group arising from and out of our breach herein.

In the event that I/we are aware or suspect any person in the Group who had/may be in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, I/we shall inform the Group immediately through their whistleblowing channel at [whistleblowing@makmurgroup.org.my](mailto:whistleblowing@makmurgroup.org.my)



and we will fully collaborate with the Group for any request of information, documents or assistance arising from the investigation of such breach.

I/we acknowledge that the provisions set out in this declaration form shall form part of the terms and conditions of our cooperation and hereby acknowledge that the Group has the right to suspend or terminate our cooperation and disqualify us from tendering for future contracts/ jobs if we were found to have breached the requirements or any other terms and conditions implemented by the Group.

Signature of Authorized Person: \_\_\_\_\_

Name of Company's Authorized Person: \_\_\_\_\_

Company's Name: \_\_\_\_\_

Date: \_\_\_\_\_

Company's Rubber Stamp:



## APPENDIX III: DUE DILIGENCE CHECKLIST

Tick (√) whether YES or NO on the Due Diligence Checklist below. In the event the answer to any of the checklist below is NO then the respective department or our Compliance Officer have to be satisfied that all of the red flags are sufficiently mitigated.

| No.  | DESCRIPTION  | YES | NO |
|--|--|-----|----|
| <b>Beneficial ownership</b>  |  |     |    |
| 1.   | Is the third party a government / public body?   |     |    |
| 2.   | The owners, directors, shareholders, officers or any employees of the third party being is current or former government / public body? |     |    |
| 3.   | The third party is recommended by a government / public body?  |     |    |
| <b>Competency of the third party</b>                                   |  |     |    |
| 4.   | The third party have NO experience of the industry where the services will be provided.  |     |    |
| 5.   | The third party have NO qualifications to provide the services required under the contract   |     |    |
| 6.   | The third party is NOT charging a fair market price for their services   |     |    |
| 7.   | The third party have NO business presence in the country where the services are to be provided?  |     |    |
| 8.   | The value of the contract secured is NOT reasonable  |     |    |
| 9.   | The third party was selected in a NON transparent way  |     |    |
| <b>Financial background and Payment of Contract</b>                    |  |     |    |
| 10.  | Are there any payments that are not transparent where it is not clear who the payment is being paid to or why?                         |     |    |
| 11.  | Is there anything unusual about the frequency of payments?   |     |    |
| 12.  | Is there anything unusual in the value of payments?  |     |    |
| 13.  | Are there any urgent requested for payments or unusually high commissions?   |     |    |
| 14.  | Are there any request for payments to be made in cash, to a third party, or to different country?                                      |     |    |
| <b>Public Record Resources: History of Corruption and Adverse News</b> |  |     |    |
| 15.  | There are concern or evidence of corruption (conviction)   |     |    |
| 16.  | Are you aware of any allegations of criminal activity against the third party or any of its employees?                                 |     |    |
| <b>Reputation: Consulting Commercial References</b>                    |  |     |    |
| 17.  | There are suspicion that third party is not honest in its business dealings  |     |    |
| 18.  | The third party do not have anti-corruption policies   |     |    |
| 19.  | The third party refuse to provide the third-party declaration  |     |    |



Assurance Declaration

I herewith confirm the following:

- 1) I have conducted the above due diligence to carefully evaluated \_\_\_\_\_  
\_\_\_\_\_ (Company Name) [Company No. \_\_\_\_\_]; and
- 2) I will continuously monitor the its activities and undertakings thorough the duration of the Group's cooperation with the third party.

Signature of Personnel: \_\_\_\_\_

Name : \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_



## HOW CAN WE HELP

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You should feel free to discuss your queries or concern with your superior, head of department or our Compliance Officer.

### To Compliance Officer

No. 36-37-47-104, Pusat Komersil Saujana 1,  
S2 Height 70300 Seremban  
Mobile: 011.6542.2929 TolFree: 1800 22 2929  
Office : 06.6037.929 Faks : 06.603.7566  
Email: [dssyed@makmurgroup.org.my](mailto:dssyed@makmurgroup.org.my)