

ASIA BRANDS BERHAD

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Revision History

Version	Effective Date
1	01.06.2020

INTRODUCTION

Asia Brands Berhad (“ABB”) and all its subsidiary companies (collectively the “Group”) are committed to conducting the business ethically, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (collectively the “MACC Act”) and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

This Anti-Bribery and Anti-Corruption Policy (“Policy”) sets out ABB’s principles in dealing with improper solicitation, bribery and other corrupt activities and related issues that may arise in the Group’s course of business. This Policy should be read in conjunction with the Group’s various policies and guidelines, and is not intended to provide definitive answers to all issues related to bribery and corruption. If multiple documents speak on the same subject, then the more stringent provision shall apply at all times.

Under the MACC Act, bribery and corruption are criminal offences and the legal consequences include fine of unlimited amount and/or imprisonment of up to 20 years. A commercial organisation commits an offence if an associated person corruptly gives any gratification with intent to obtain or retain business or an advantage in the conduct of business, for the commercial organisation.

If an offence is committed by a commercial organisation, the MACC Act also deems its directors, controllers, officers, partners or persons concerned in its management of affairs to have committed the same offence. It is therefore important to understand how bribery and corruption may be committed and the legal consequences arising from such act as well as to take steps to prevent bribery and corruption from happening.

1.0 Purpose

- 1.1 To set out the responsibilities of ABB and those working for ABB in observing and upholding ABB’s zero-tolerance position on bribery and corruption.
- 1.2 To provide principles, guidelines and requirements for those working for ABB on how to deal with bribery and corrupt practices that may arise in the course of daily business and operation activities within the Group, as well as understand their responsibilities.
- 1.3 To ensure compliance with all applicable anti-bribery and corruption regulations.

2.0 Definitions

Bribery	:	<p>The act of offering, giving, promising, asking, agreeing to receive, accepting, or soliciting something of value or of an advantage so as to induce or influence an action or decision.</p> <p>Form of bribery includes kickbacks, inflated commissions, expensive gifts, political donations, excessive or inappropriate entertainment.</p> <p>Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also in breach of this Policy.</p>
Business Partners	:	<p>An external party with whom the Group has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries, investors and service providers of any kind performing work or services for or on behalf of the Group.</p>
Conflicts of interest	:	<p>Personal interest that can be considered to have potential interference with objectivity in performing duties or exercising judgement for or on behalf of the Group.</p>
Corporate hospitality	:	<p>Corporate events or activities organised by an organisation, which involves entertainment of employees and/or other parties for the benefit of that organisation. Examples of corporate hospitality includes seminars, workshop, talks on subject matters relevant to the industry and town hall sessions. Other parties may include customers, contractors, consultants, bankers, lawyers, service providers of any kind, stakeholders with whom a business relationship (whether past, present or prospective) exists and the public at large.</p>
Corruption	:	<p>The Transparency International definition of corruption is ‘the abuse of entrusted power for personal gain.’</p> <p>For the purpose of this Policy, corruption is defined primarily as any action which would be considered an offence of giving or receiving ‘gratification’ under the MACC Act (‘Bribery’ as defined above). In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.</p>
Detrimental treatment	:	<p>Dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.</p>

Employees	:	All individuals directly contracted to the Group on an employment basis, including permanent and temporary employees, directors, consultants, contractors, trainees, interns, agents, sponsors, or any other person or persons associated with the Group no matter where they are located.
Exposed position	:	An Employee's position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving procurement or contract management, financial approvals, human resource, relations with government officials or government departments, sales, positions where negotiation with an external party is required or other positions which the Group has identified as vulnerable to bribery.
Facilitation payment	:	Facilitation payment is a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and tend to be demanded by low level officials with the intention of securing or speeding up the performance of a certain duty or action.
Gratification	:	<ul style="list-style-type: none"> (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage; (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity; (c) any payment, release, discharge or liquidation of any loan, obligation or other liability; (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage; (e) any forbearance to demand any money or money's worth or valuable thing; (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature; and (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).
Kickbacks	:	The return of a sum already paid or due as a reward for awarding of furthering business.
Management	:	Comprising the Group Managing Director, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer collectively.

Public officials	:	Official of any governments, government agencies or any regulatory, statutory or administrative bodies, whether local or foreign.
Third-party(ies)	:	Any individual or organisation you come into contact with during the course of your work for the Group, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies including their advisors, representatives and officials, politicians and political parties.

2.1 References to “you” or “your” in this Policy shall refer to each of our Employee or Business Partners individually and in the case of Business Partners, including any entity which is controlled by our Business Partners, unless the context indicates otherwise.

2.2 References to “we”, “us” or “our” when used in this Policy shall refer to ABB and the Group.

3.0 Policy Statement

3.1 ABB takes corruption issues seriously and management of the Group is committed to maintaining the highest standards of professional and ethical conduct, and is committed to implementing and enforcing systems that ensure bribery is prevented.

3.2 ABB takes a zero-tolerance approach for all forms of corruption committed by Employees or Third Parties acting on the Group’s behalf, and is committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever ABB operates, and implementing and enforcing effective systems to counter bribery and corruption.

3.3 ABB will uphold all laws relevant to anti-bribery and anti-corruption in all the jurisdictions in which ABB operates. This Policy must be adhered to regardless of whether or not that country has specific anti-bribery or anti-corruption laws. Where a law conflicts with this Policy, the more stringent measure shall be adhered to.

3.4 ABB recognizes that bribery and corruption are both illegal and unethical, either of these activities could cause serious damage to the Group’s reputation. It is, with this in mind, that ABB commits to preventing bribery and corruption in our business, and take our legal responsibilities seriously.

3.5 This Policy prohibits all forms of bribery and corrupt practices. Employees must not engage in any form of bribery, whether directly, passively, or through a Third Party. Employees must not accept bribes in any degree and if you are uncertain about whether something is a bribe or a gift or act of hospitality, you must seek further advice from the Management. Employees will not suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

4.0 Scope

- 4.1 This Policy applies to all Employees, Business Partners and Third Parties.
- 4.2 Any arrangements the Group makes with a Third Party or Business Partners is subject to clear contractual terms, including specific provisions that require the Third Party or Business Partners to comply with at the minimum.

5.0 Gifts and Hospitality

- 5.1 It is acceptable to receive normal and appropriate gestures of hospitality and goodwill (whether given to/received from Third Parties/Business Partners) so long as the giving or receiving of gifts meets the following requirements:
 - (a) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favors or benefits.
 - (b) It is not made with the suggestion that a return favor is expected.
 - (c) It is in compliance with applicable laws.
 - (d) It is given in the name of the company, not in an individual's name.
 - (e) It does not include cash.
 - (f) It is appropriate for the circumstances (e.g. festive or ceremonial gifts such as giving red packets (without cash or cash equivalents during Chinese New Year) oranges and dates.
 - (g) It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift (e.g. during invitation to speak at conferences or work-related conferences).
 - (h) It is given/received openly, not secretly.
 - (i) It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.
 - (j) It is not above a certain excessive value, (in excess of RM100.00).
- 5.2 Where it is inappropriate to decline the offer of a gift (i.e. when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as it is declared to the Management, who will assess the circumstances.
- 5.3 Any gifts given and received shall always be disclosed to the Management and recorded in the Gifts Register within five (5) working days of receipt or given.
- 5.4 The intention behind a gift being given/received should always be considered. If there is any uncertainty about the acceptability, the gift must be refused or the advice of the Management should be sought.

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5.5 When providing or accepting corporate hospitality, Employees must exercise proper care and good judgement to ensure that the corporate hospitality provided or accepted are:-

- (a) legal under applicable laws;
- (b) made for the right reasons and reasonable in its form and limit; and
- (c) must not be given/accepted or give rise to the perception that it is given/accepted to obtain business or advantage of any kind or unduly influence the outcome of a business decision.

5.6 Employees must consult the Management when offering any corporate hospitality to public officials.

6.0 Entertainment

6.1 Employees may offer appropriate and proportionate entertainment provided it fulfils the following conditions:-

- (a) legal and reasonable within the scope of their work as part of business networking as well as a measure of goodwill towards the recipients.
- (b) always exercise proper care and good judgement when providing entertainment to external parties, especially when it involves public officials so as to mitigate negative perception if observed or known by others, despite selfless motives behind the entertainment provided.
- (c) the entertainment must not be viewed to cause undue influence or in exchange for favours or advantages whether directly or indirectly, when provided or offered.

6.2 Employees must at all times conduct themselves with integrity in relation to accepting entertainment from any party and adhere to the following:-

- (a) to exercise proper care and good judgement before accepting any entertainment offered or provided.
- (b) to safeguard ABB's reputation and avoid allegations of impropriety or undue influence or corruption.
- (c) to refuse entertainment that is in exchange for an exercise or non-exercise of their job function or activity.

7.0 Facilitation Payments and Kickbacks

- 7.1 ABB shall not accept and not make any form of facilitation payments or kickbacks of any nature.
- 7.2 Employees are expected to notify their immediate superior when encountered with any requests for a facilitation payment. If a payment has been made and Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. Employees must also ensure that the payment has been recorded transparently.
- 7.3 The Group equally upholds the safety of all Employees as priority. If Employees may be faced with situations where there is a risk to their personal security or his/her family and where a facilitation payment is unavoidable, in such circumstances, a facilitation payment to protect the Employee is permitted if:-
- (a) that is the immediate available recourse to protect the safety of the Employee; and
 - (b) the Management's approval has been obtained; or, payment under the state of emergency had been undertaken, after which the Management's approval must be retrospectively obtained as soon as possible.

8.0 Political Contributions

- 8.1 ABB shall not make donations, whether in cash, kind or by any other means to support any political parties or candidates, as this may be perceived as an attempt to gain an improper business advantage.
- 8.2 Employees may participate in political activities in their individual capacity with their own money and at their own time but to make it clear that their individual political views and actions are personal and not reflective or representative of ABB and ABB shall not reimburse any personal political contributions.

9.0 Charitable Contributions

- 9.1 Donations in the form of charities whether through services, knowledge, time or direct financial contributions (cash or otherwise) may be permissible depending on the circumstances, and shall be made directly to an official entity. All charitable contributions must be disclosed.
- 9.2 Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.
- 9.3 ABB shall ensure that all charitable donations made are legal and ethical under the applicable laws and practices, and those donations are not offered/made without the approval of the Management.

10.0 Recruitment of Employees

- 10.1 Recruitment of Employees shall be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of Employees.
- 10.2 Proper background checks shall be conducted in order to ensure that the potential Employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks shall be taken when hiring Employees that would be responsible in management positions, as they would be tasked with decision making obligations.

11.0 Business Partners and their Conduct

- 11.1 Employees must carry out proper due diligence process and comply with all applicable ABB's standard operating procedures before on-boarding any Business Partners, including informing them of this Policy. All Business Partners must submit a confirmation in similar terms prior to onboarding as ABB's service provider with effect from the date of this Policy.
- 11.2 Employees must monitor our Business Partners' performance from time to time to be in compliance with this Policy, and where breach or suspected breach arises, immediate action must be taken.
- 11.3 In addition to all applicable anti-bribery and anti-corruption laws to which it may be subjected to, ABB expects our Business Partners to comply with this Policy in relation to all dealings by them for, on behalf of or involving ABB. Our Business Partners must also refrain and procure its affiliates to refrain from taking any action that would result in a violation of any applicable anti-bribery and anti-corruption laws and this Policy.
- 11.4 ABB shall include standard clauses in all contracts with Business Partners enabling ABB to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for Business Partners acting on ABB's behalf where bribery risk has been identified.
- 11.5 Unless evidence suggests otherwise, all our Business Partners are independent contractors. They are not agent of or representative of ABB and they are not entitled or must not hold themselves out to have the authority to bind ABB for any purpose.

12.0 Risk Assessments

- 12.1 ABB shall undertake a bribery and corruption risk assessment across our business when appropriate to understand the bribery and corruption risks it faces and ensure that it has adequate procedures in place to address those risks.

12.2 Risk assessments shall give consideration to:

- (a) "country risk", which includes an assessment of the overall risks of corruption and bribery associated with a particular jurisdiction;
- (b) "transactional risks", which includes an assessment of the risks associated with a business transaction undertaken by the Group;
- (c) "business opportunity risks", which includes the risk that pursuing or obtaining business opportunities may result in acts of bribery or corruption; and
- (d) "business partnership risks", which includes risks deriving from relationships with or partnership with other associated entities.

12.3 Records and documentation must be kept of each risk assessment as part of the system of internal controls and record keeping.

13.0 Anti-Bribery and Anti-Corruption Compliance Functions

13.1 The Finance Department shall have the oversight of the design, implementation of compliance controls and management of this Policy. ABB shall establish and maintain an anti-bribery and anti-corruption compliance function within the Finance Department.

13.2 The Finance Department shall perform the following functions within the Group structure, equipped to act effectively against bribery and corruption:

- (a) shall conduct regular risk assessments to identify the bribery and corruption risks potentially affecting the Group.
- (b) shall review the suitability of this Policy from time to time, taking into account relevant developments in the legislature as well as evolving industry and international standards.
- (c) shall be the independent authority to act effectively against bribery, including initiating investigations deemed necessary based on reasonable cause for suspicion.
- (d) shall maintain a direct reporting line to the Audit and Risk Management Committee and the Board of Directors.
- (e) shall implement and effectively manage routine anti-bribery and anti-corruption measures as deemed appropriate to ring-fence the organisation against possible legislative liabilities, as well as undertake ad-hoc measures deemed required based on circumstantial requirements that presents during the course of operations.

14.0 Employee Responsibilities

14.1 Employees are responsible for reading, understanding and complying with this Policy, and with any training or other anti-bribery and anti-corruption information given. The responsibilities of an Employee include the following:-

- (a) preventing, detecting, and reporting of bribery and other forms of corruption;
- (b) avoid any activities that could lead to, or imply a breach of this Policy;
- (c) promptly report violations or suspected violations through appropriate channels;

- (d) be familiar with applicable requirements and directives of this Policy and communicate them to subordinates;
- (e) promptly record all transactions and payments accurately and in reasonable detail; and
- (f) promptly complete all trainings and assessments, as well as attest to comply annually.

15.0 Reporting of Policy violations

- 15.1 Employees who encounter actual or suspected violations of this Policy are required to report their concerns either to the Management or via the secured whistleblowing channels as stipulated in ABB's Whistleblowing Policy, at as early a stage as possible. ABB shall familiarize all Employees with its whistleblowing procedures so Employees can vocalize their concerns swiftly and confidentially.
- 15.2 If Employees are uncertain about whether a certain action or behaviour can be considered bribery or corruption, you should speak to your department manager, the Management or the company ownership.
- 15.3 Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

16.0 Protection and Confidentiality

- 16.1 ABB supports anyone who raises concerns relating to potential act(s) of bribery or corruption in good faith under this Policy, even if investigation finds that they were mistaken.
- 16.2 ABB ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.
- 16.3 If you have reason to believe that you have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform the Audit and Risk Management Committee Chairman immediately.

17.0 Training and Awareness

- 17.1 Training on this Policy shall be provided on a regular basis as part of the onboarding process for all new Employees and any Employee appointed to, promoted to or transferred to or currently holding an exposed position.
- 17.2 This Policy and ABB's zero-tolerance attitude shall be clearly communicated to all Business Partners and any Third Parties at the outset of business relations, and as appropriate thereafter.
- 17.3 Human Resource Department shall maintain records to identify which Employee has received training and produce, communicate and update the training schedule.

18.0 Record-keeping

- 18.1 ABB shall declare and keep a written record of the amount and reason for hospitality or gifts accepted and given, and shall have appropriate internal controls in place to act as evidence for all payments made. Gifts and acts of hospitality shall be subject to managerial review.
- 18.2 All expenses claim relating to gifts or entertainment made to Business Partners or Third Parties are submitted in accordance with ABB's reimbursement procedures and/or applicable policy and specifically record the reason for such expenditure. All parties shall further ensure that all expense claims shall comply with the terms and conditions of this Policy.
- 18.3 All documents, accounts and records relating to dealings with Business Partners or Third Parties shall be prepared and maintained with strict accuracy and completeness. No accounts should be kept "off-book" to facilitate or conceal improper payments.

19.0 Monitoring and reviewing

- 19.1 Internal control systems and procedures designed to prevent bribery and corruption shall be subject to regular audits to ensure that they are effective in countering corruption and bribery.
- 19.2 Any need for improvements shall be applied as soon as possible. Employees are encouraged to offer their feedback on this Policy if they have any suggestions on how it may be improved. Feedback of this nature should be addressed to the Human Resource Department.
- 19.3 This Policy does not form part of Employee's condition of employment and ABB may amend it at any time so to improve its effectiveness at combatting bribery and corruption.

20.0 Conflicts of interest

- 20.1 Employees must avoid situations in which their personal interest would conflict with their duties and responsibilities, and must not use their position, official working hours, ABB's resources and assets, or information available to them for personal gain or to ABB's disadvantage.
- 20.2 In situations where conflict of interest arises, Employees are required to immediately declare the matter to their immediate supervisor.

21.0 Sanctions for Non-Compliance

- 21.1 The Group regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event the Group's interests have been harmed as a result of non-compliance.

- 21.2 The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt, and shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Employees.
- 21.3 For Business Partners, non-compliance of this Policy may lead to immediate termination of contract and claim for damages.

22.0 Red Flags

- 22.1 The following is a list of "red flags" that may indicate the possible existence of corrupt practices and should be kept in mind by all those subject to this Policy.
- (a) Become aware that a third party engages in, or has been accused of engaging in improper business practices, improper conduct or has a reputation for paying bribes or requiring bribes;
 - (b) A third party demands gifts, benefits, commission or fees before committing or continue to sign up a contract;
 - (c) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
 - (d) A third party refuses to provide or provide insufficient, false, or inconsistent information in response to due diligence questions;
 - (e) A third party requests the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us, or a shell entity serves as a middleman especially when domiciled in secrecy haven;
 - (f) There are signs that the third party is not acting on his own behalf, but is trying to conceal the true beneficial owner's identity;
 - (g) A third party has a reputation of having a "special relationship" with a government, political party or other public official or has been specifically requested by a public official;
 - (h) A third party refuses to sign a commission or fee agreement or insists on the use of a side-letter relating to the payment of funds;
 - (i) A third party requests an unusually large or inappropriate commission, retainer, bonus or other fee or an unexpected additional fee or commission to "facilitate" a service;
 - (j) A third party requests payment in cash or cash equivalent such a money order; refuses to provide an invoice or receipt;
 - (k) A third party refuses to provide an invoice or receipt for a payment, or you receive an invoice or receipt that appears to be non-standard or customized;
 - (l) A third party requests that a transaction is structured to evade normal record-keeping or reporting requirements;
 - (m) A third party refuses to abide by this Policy or does not demonstrate that it has adequate internal anticorruption and bribery policies and procedures in place.
 - (n) Been offered an unusually generous gift or lavish benefits or entertainment by a third party.

- 21.2 If the Board of Directors, Employees, Business Partners and Third Parties come across any of these red flags or believe it may occur potentially while working for the Group, he/she must report promptly in accordance with the procedure as set out in our Whistleblowing Policy.

22.0 General enquiries

- 22.1 For general enquiries, please contact ABB's Human Resource Department at hrservice@asiabrands.com.my.

23.0 Confirmation by our Employee

- 23.1 Effective from the date of this Policy, all our Employees shall confirm that they have read, understood and will abide by this Policy. A copy of this confirmation shall be documented and retained by Human Resource Department for the duration of the employment.

24.0 Policy owner

- 24.1 The Human Resource Department is the owner of this Policy. The Board of Directors shall have oversight of this Policy.

25.0 Revisions

- 25.1 This Policy is posted on ABB's website at www.asiabrands.com.my and will be updated, amended or revised from time to time to ensure its adequacy in implementation and enforcements.

Dated: 1 June 2020

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STAFF DECLARATION FORM

I, _____, hereby declare that I have read and understood ABB's Anti-Bribery and Anti-Corruption Policy ("said Policy") and the responsibilities required of me in relation to the said Policy.

I will abide by the requirements and provisions set out in the said Policy as required by my employment contract with ABB.

I have not violated the provisions of the said Policy and am not aware of any violations of the said Policy as of the date hereof.

I understand that if I am party to any breach of the said Policy during the term of my employment, then it could be regarded as major misconduct which may result in disciplinary action, up to and including dismissal against me.

.....

Name :

NRIC :

Designation :