



AVALAND BERHAD

COMPANY REGISTRATION NO.: 200901038653 (881786-X)
(INCORPORATED IN MALAYSIA)

ANTI-BRIBERY & ANTI-CORRUPTION (‘ABAC’) POLICY FOR THIRD PARTIES

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INTRODUCTION

- 1.1 Avaland Berhad and its group of companies ("**Avaland**") observes and upholds a zero-tolerance position on bribery and corruption, and is committed in implementing guidelines and enforcing systems to ensure that corruption and bribery is prevented and avoided at all levels of **Avaland**'s daily operations. This position is to reflect our core values of integrity and ethics where we practise transparency and governance in our business dealings and relationships with third parties and acting with professionalism and sound business management.
- 1.2 This Anti-Bribery and Anti-Corruption Policy ("**ABAC**") exists to set out the responsibilities of **Avaland** and those who have business dealings/relationships with **Avaland** in observing and upholding our zero-tolerance policy on corruption and bribery.
- 1.3 It acts as a source of information and guidance for all third parties and is intended to help them recognize and deal with bribery and corruption issues, as well as understand their responsibilities in this context.

1. SCOPE

Avaland's ABAC policy is applicable at all times to all Third Parties as defined in item 3 in Clause 3 (Definitions) below and also in dealings with government officials and/or other representatives ("**Third Parties**") acting on behalf of the entity under a contract for service or is engaged by **Avaland** for any business related activity, whether formally and informally.

2. DEFINITION

- A. "**Bribery**" means bribe or corruption that occurs when one person gives, offers, pays, seeks or accepts a payment, gift, favour or a financial or other advantage from another to influence a business outcome improperly, to induce or reward improper conduct or to gain any commercial, contractual, regulatory or personal advantage. It can be direct or indirect form of bribery through Third Parties.
- B. "**Donation**" means a voluntary contribution in the form of monetary or non-monetary gifts to a fund or cause for which no return service or payment is expected or made. Contributions to industry associations or fees for memberships in organisations that serve business interests are not necessarily considered Donations.
- C. "**Third Parties**" means and includes any individual or organisation performing work or services for or on behalf of **Avaland**, who (including but is not limited to) our suppliers, consultants, vendors, service providers, contractors, sub-contractors, real estate agents, external lawyers/solicitors, trainees, seconded staff from external parties, interns, agents, sponsors, business partners or any other person associated with us, or any of our subsidiaries or joint ventures or their employees, wherever they are located.

- D. **“Sponsorship”** means partnering with external organisations to deliver mutual benefits through an exchange of monies, products, services, content or other intellectual property.
- E. **“Facilitation Payments”** means a form of Bribery in which payments of “anything of value” are made with the purpose of expediting or facilitating the performance by a Public Official or a person with a certifying function of a routine governmental action to obtain or retain business or any other undue advantage. Facilitation payments are typically demanded by low level and low income Public Officials in exchange for providing services to which one is legally entitled without such payments.
- F. **“Gifts, Invitations & Hospitality”** means invitations that are given or received in relation to social functions, sporting events, meals and entertainment, gifts or customary tokens of appreciation.
- G. **“Kickback”** means a bribe to obtain an undue advantage, where a portion of the undue advantage is 'kicked backed' to the person who gave, or is supposed to give, the undue advantage.
- H. **“Public Official”** means officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and officers or employees of enterprises which are mandated by a public body or a state-owned enterprise to administrate public functions.

3. **RESPONSIBILITIES**

- 4.1 All business associates and third parties doing business with **Avaland** are required to adhere to this ABAC Policy.
- 4.2 The following levels in **Avaland** are designated and expected to ensure that the policy guidelines are implemented and carried out across the organisation:
- (i) Human Capital Department: Policy Owner
 - (ii) Risk Management: Monitors Business Units activities in terms of policy compliance.
 - (iii) Integrity & Governance Committee: Regular review of policy, case management review, evaluation and policy amendments.
 - (iv) Head of Departments and Sections (**“HODs”/“HOS”**):
As the process owner, the respective HOD is entrusted to obtain the ABAC Declaration Form duly acknowledged from third parties with a copy extended to Risk Management Department for record and safekeeping.

4. **REFERENCES**

1. Malaysian Anti-Corruption Commission (**“MACC”**) Section 17A; and
2. **Avaland’s** Anti-Bribery & Anti-Corruption Policy (**“ABAC Policy”**).

5. POLICY

6.1 Due Diligence

In order to ensure **Avaland** is undertaking business with third parties that share the same standard of integrity and ethical business practice as **Avaland**, we would need to perform the following but not limited to:

- (i) Perform due diligence and assess the prospective third parties' reputation and qualifications with the focus on its integrity prior to entering into a business dealing with the said third party.
- (ii) Due diligence may be conducted in numerous ways, including but not limited to:
 - (a) Document verification
 - (b) Background check
 - (c) Online / Web search
 - (d) Interview
 - (e) Questionnaire
 - (f) Screening tools such as CCRIS, CTOS
 - (g) Government and/or Judicial database
- (iii) Item ii (a) to (e) – Due diligence to be performed by respective department PIC that deal with 3rd party.
Item ii (f) to (g) – Due diligence to be carried out by Legal Department.

6.2 Integrity Declaration

All Third Parties must be made aware of and agree to comply with the Anti-Corruption laws and this ABAC Policy. They shall sign the Integrity Declaration Form to confirm their acceptance and agreement to the ABAC policy.

6.3 Frequency of conducting due-diligence may occur in the following events:-

- (i) Prior to first time engagement and/or project commencement
- (ii) Renewal of contracts
- (iii) Performance evaluation
- (iv) Incidents of misconduct
- (v) Changes in circumstances

6.4 Prior to appointment by **Avaland**, third parties must comply with the following process:

- i) Filling up & submission of **Avaland**'s ABAC Declaration Form
- ii) Completing the ABAC Questionnaire

7 FACILITATION PAYMENTS & KICKBACKS

7.1 **Avaland** does not allow the making of Facilitation Payments. We do not make, and will not accept Facilitation Payments or Kickbacks of any kind anywhere in the world.

- 7.2 Where the Facilitation Payment is being extorted or the Third Party is being coerced to pay it, it must be reported to **Avaland** as soon as possible.
- 7.3 Any Third Party with any suspicion, concern or query regarding a Facilitation Payment made on **Avaland**'s behalf or involve improper business practices, shall immediately report the matter to **Avaland** using the channel prescribed in Clause 8 below.

8 REPORTING ON CONCERN OR WHISTLEBLOWING

- 8.1 Any party who encounters actual or suspected violation of this ABAC Policy is required to report their concerns using the channel below:
- Email Hotline: whistleblowing-avaland@bdo.my
Online Portal: <http://bdoethics.com>
Telephone Hotline: 03-2616 7005 (from Monday to Friday, excluding public holidays)
- 8.2 All Information provided by the whistleblower shall be kept strictly confidential.

9 PROTECTION

- 9.1 Third Parties who refuse to take part in bribery, or report in good faith under this Policy their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future will be protected from detrimental treatment (Detrimental treatment includes cancellation of the contract awarded by **Avaland**) and retaliation.

10. APPENDIX

- (i) Appendix 1: ABAC Declaration Form for Third Parties
- (ii) Appendix 2: ABAC Questionnaire
- (iii) Appendix 3: Due Diligence Checklist

APPENDIX I - ANTI-BRIBERY AND ANTI-CORRUPTION DECLARATION

We, the undersigned Business Partner, hereby declare to the best of our knowledge and belief that the particulars furnished below are true and accurate.

1. *We hereby sincerely pledge, commit and undertake that:*

A. We have read and understood and shall fully abide by:

- i) Avaland's Anti-Bribery and Anti-Corruption ("**ABAC**") Policy. The ABAC Policy outlines Avaland Berhad and its subsidiaries' (collectively, "**Avaland**") zero-tolerance stance against corruption and we shall always adhere to the ABAC Policy during the performance of our duties for or on behalf of Avaland.
- ii) All applicable laws and regulations relating to anti-bribery, anti-corruption and fraud ("**Applicable Laws**"); and
- iii) Anti-corruption principles promoted by the Malaysian Anti-Corruption Commission ("**MACC**"):
 - a) committing to promote values of integrity, transparency and good governance;
 - b) strengthening internal system that support corruption prevention;
 - c) comply with rules and regulations relating to fighting corruption;
 - d) fighting any form of corrupt practice; and
 - e) supporting corruption prevention initiatives by the Malaysian Government, MACC and other authorities within the country's jurisdiction which we operate.to the best of our knowledge (collectively referred to as the "**Provisions**")

B. We shall not indulge in any form of corruption and abuse of power either directly or indirectly, with any party dealing with Avaland.

C. We shall ensure that our employees and subordinates shall not indulge in any act of corruption and abuse of power in any dealing concerning Avaland.

D. We shall take all measures and implement appropriate measures to ensure compliance with the Applicable Laws and the Provisions.

E. We shall instantly report any form of corruption and abuse of power to Avaland.

2. *We agree that:*

A. In the event that we are in breach of any of the above sections or the Applicable Laws and/or the Provisions, Avaland may immediately revoke the contract awarded or terminate the contract in relation to our business transactions without any liability whatsoever on the part of Avaland. This is without prejudice to any other rights or remedies that Avaland may have or any other appropriate action which Avaland may take under the terms of the applicable tender or contract or applicable laws and regulations.

- B.** In the event that we are in breach of any of the above sections, the Applicable Laws or the Provisions, we shall indemnify Avaland against all forms of damages and / or liabilities, whether criminal or civil, if any legal action was brought against Avaland in relation to the breach.
- C.** Should any person attempt to solicit any bribe or advantage (whether financial or otherwise) from us or any other person connected to us either as an inducement or incentive for us to be selected for a proposed business transaction with Avaland or as a reward, gift, or bonus or where we have reasonable grounds to suspect any breach of the obligations in this Anti-Bribery and Anti-Corruption Declaration, the ABAC Policy or any Applicable Laws, we will report such act to Avaland as soon as reasonably practicable under the following communication channel:

Email Hotline: whistleblowing-avaland@bdo.my

Online Portal: <http://bdoethics.com>

Telephone Hotline: 03-2616 7005 (from Monday to Friday, excluding public holidays)

- D.** The ABAC policy may be updated, amended or revised from time to time to ensure its adequacy in implementation and enforcement and we, upon receiving the updated, amended or revised ABAC policy, shall fully adhere to all terms thereto.
- E.** We are fully informed on the Whistleblowing Policy and the channels which are available to us as an avenue to report and misconducts or incidents in relation to the commercial transaction(s) between Avaland and us.

Yours sincerely,

Witnessed by:

For and on behalf of the Business Partner,

Received and acknowledged on behalf of Avaland,

Name :
IC / Passport No :
Designation :
Date :
Company Stamp :

Name :
IC No :
Designation :

APPENDIX II - ANTI-BRIBERY AND ANTI-CORRUPTION DUE DILIGENCE QUESTIONNAIRE

1) Does your company have any anti-bribery and anti-corruption policies?

☐ Yes

☐ No

2) Does your company have procedure in place to monitor the effectiveness of the anti-bribery and anti-corruption

☐ Yes

☐ No

3) Does your company conduct any training about anti-bribery and anti-corruption to your employees?

☐ Yes

☐ No

4) Does your company have policies and procedures on due diligence of personal and business associates?

☐ Yes

☐ No

5) Does your company have policies and procedures on gift & donation and hospitality & travel?

☐ Yes

☐ No

6) Does your company have policies and procedures on facilitation payment?

Facilitation payment" refer to payment made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.

☐ Yes

☐ No

7) Does your company have a code of business conduct and ethics?

☐ Yes

☐ No

8) Does your company have policies and procedure on whistle blowing?

☐ Yes

☐ No

9) Does your company review anti-bribery and anti-corruption policy of supplier, service provider, contractor and consultant?

☐ Yes

☐ No

10) Has your company ever been suspended or debarred from doing business in any capacity as a result of fraud, misrepresentation, bribery, corruption, money laundering or any other related activities in any jurisdiction?

☐ Yes

☐ No

Company Stamp & Signature

Name : _____

Designation : _____

Date : _____

APPENDIX III - DUE DILIGENCE CHECKLIST

Tick (✓) whether **YES** or **NO** on the Due Diligence Checklist below. Except for Item 13 below, if the answer to the checklist below is **YES** then the respective department that deal with third party has to be satisfied that all of the red flags are sufficiently mitigated.

No.	DESCRIPTION	YES	NO
Competency of the Third Party			
1.	The third party has experience of the industry where the service will be provided.		
2.	The third party has qualifications to provide the service required under the contract.		
3.	The third party is charging a fair market price for its service.		
4.	The third party has business presence in the country where the service is to be provided?		
5.	The value of the contract secured is reasonable.		
6.	The third party was selected in a transparent way.		
Financial Background and Payment of Contract			
7.	Are the payments made to third party transparent where it is clear who the payments are being paid to or why?		
8.	Are the frequency of payments made normal?		
9.	There isn't any request for payment to be made to a third party, or to different country?		
Public Record Resources: History of Corruption and Adverse News			
10.	There isn't any evidence of corruption (conviction)		
11.	There isn't any allegation of criminal activity against the third party or any of its employees?		
Reputation: Consulting Commercial References			
12.	There isn't any suspicion that third party is not honest in its business dealings.		
13.	The third party do have anti-corruption policies.		
14.	The third party has provided 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 its activities and undertakings thorough the duration of the Group's cooperation with the third party.

Signature of Personnel: _____

Name: _____

Date: _____