



## SWAP ASIA GROUP SDN. BHD.

# Anti-Bribery & Anti-Corruption Policy & Guidelines

<b>Document Title:</b>	Anti-Bribery & Anti-Corruption Policy & Guidelines		
<b>Ref No:</b>	SWAP /ABAC		
<b>Originator:</b>	Legal Department	<b>Applicable To:</b>	Swap Asia Group Sdn. Bhd. & Its Group of Companies
<b>Revision No:</b>	New	<b>Effective Date:</b>	8 December 2022
<b>Approved by:</b>	Managing Director		

# Table of Contents

<b>Abbreviations .....</b>	<b>1</b>
<b>1.0 Objectives .....</b>	<b>2</b>
1.1. General Information .....	2
1.2. Policy & Guidelines Objectives .....	2
<b>2.0 Key Definition .....</b>	<b>2</b>
2.1. Anti-Bribery and Anti-Corruption Policy & Guidelines .....	2
2.2. Bribery.....	2
2.3. Board of Directors .....	3
2.4. Chief Executive Officer.....	3
2.5. Code of Ethics .....	3
2.6. Corporate Hospitality .....	3
2.7. Corruption.....	3
2.8. Donation.....	3
2.9. Employee .....	3
2.10. Extortion Payment.....	3
2.11. Facilitation Payment.....	3
2.12. Gift.....	4
2.13. Guideline on Adequate Procedure .....	4
2.14. ISO 37001:2016 .....	4
2.15. Limit of Authority.....	4
2.16. Management.....	4
2.17. Risk Management Committee .....	4
2.18. Sponsorship.....	4
2.19. Whistleblower .....	4
2.20. Whistleblowing Policy & Guidelines .....	4
<b>3.0 Responsibility.....</b>	<b>5</b>
3.1. Board of Directors.....	5
3.2. Chief Executive Office / Executive Director.....	5

3.3.	Head of Finance Department / Director of Corporate Treasury and Accounting.....	5
3.4.	Employee.....	5
3.5.	Amendments to Policy & Guidelines .....	6
<b>4.0</b>	<b><i>Corruption Risk Assessment Approach.....</i></b>	<b>6</b>
<b>5.0</b>	<b><i>Gift and Corporate Hospitality.....</i></b>	<b>7</b>
5.1.	“No Gift” Policy.....	7
5.2.	Exceptions to “No Gift” Policy.....	7
5.3.	Purchase of Gift and Corporate Hospitality .....	8
5.4.	Gift Acceptance.....	9
5.5.	Entertainment Acceptance .....	9
<b>6.0</b>	<b><i>Corporate Social Responsibility .....</i></b>	<b>9</b>
6.1	Donation and Sponsorship.....	10
6.2.	Education Sponsorships .....	10
<b>7.0</b>	<b><i>Facilitation and Extortion Payments.....</i></b>	<b>11</b>
7.1.	Facilitation Payment .....	11
7.2.	Exception to Facilitation Payment (Extortion Payment).....	11
<b>8.0</b>	<b><i>Due Diligence Procedures and Dealing with External Parties.....</i></b>	<b>11</b>
8.1.	Dealing with Vendors or Agents .....	13
8.2.	Dealing with Customers .....	13
8.3.	Dealing with Business Partners .....	14
8.4.	Dealing with Public Officials .....	14
8.5.	Dealing on Recruitment of Employees .....	15
<b>9.0</b>	<b><i>Reporting Procedures on Suspected Bribery or Corruption Activities .....</i></b>	<b>15</b>
9.1.	What to Report .....	15
9.2.	How to Report .....	16
<b>10.0</b>	<b><i>Internal / External Assessment .....</i></b>	<b>18</b>
<b>11.0</b>	<b><i>Training and Awareness Programme.....</i></b>	<b>18</b>
<b>12.0</b>	<b><i>Record-Keeping and Documentation .....</i></b>	<b>18</b>
	<b><i>Appendices.....</i></b>	<b>20</b>

# Abbreviations

In this Policy & Guidelines, the following abbreviations shall have the following meaning unless otherwise stated:

ABAC	Anti-Bribery and Anti-Corruption		LOA	Limit of Authority
BOD	Board of Directors		MACC	Malaysian Anti-Corruption Commission
CEO	Chief Executive Officer		MD	Managing Director
CFO	Chief Financial Officer		RMC	Risk Management Committee
CoC	Code of Conduct		SSM	Suruhanjaya Syarikat Malaysia
CSR	Corporate Social Responsibility		SWAP	Swap Logistics Distribution Sdn Bhd
ED	Executive Director			

## **1.0 Objectives**

### **1.1. General Information**

The Anti-Bribery & Anti-Corruption (“ABAC”) Policy & Guidelines (hereinafter referred to as “Policy & Guidelines”) defines the policies and procedures for Swap Asia Group Sdn. Bhd. and its subsidiaries (collectively known as “SWAP” “Swap Asia Group” or “the Group” or “Company”). Rules (including Circulars and Letters) from the regulators shall automatically supersede the existing operating policies and procedures herein stated.

The Policy & Guidelines are applicable to the following stakeholders:

- a. Directors of SWAP, both executive and non-executive, unless otherwise stated in this Policy & Guidelines;
- b. every employee within the Group; and
- c. suppliers, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group.

It is the intention of Board of Directors (“BOD”) of SWAP to ensure that these procedures serve as our commitment to prohibit bribery and corruption in the business conduct within the Group.

### **1.2. Policy & Guidelines Objectives**

The main objectives of this Policy & Guidelines are as follows:

- To ensure the policies and guidelines / practices are oriented towards embedding ABAC stance organisation wide, with guidance from Guideline on Adequate Procedures and requirements of Malaysian Anti-Corruption Commission (“MACC”) Act 2009 (amended 2018), introduced via Section 4 of the MACC (Amendment) Act 2018;
- To ensure adequate and standardised ABAC policies and guidelines are consistently applied throughout the Group by all relevant staff; and
- To ensure that business operations within the Group are strictly adhering to the ABAC Policy & Guidelines.

## **2.0 Key Definition**

### **2.1. Anti-Bribery and Anti-Corruption Policy & Guidelines**

This refers to the ABAC Policy & Guidelines established by SWAP.

### **2.2. Bribery**

ISO 37001:2016 defines bribery as offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person’s duties.

### **2.3. Board of Directors**

This refers to as the BOD of SWAP.

### **2.4. Chief Executive Officer**

Defined as the highest-ranking executive in a company, responsible for carrying out corporate policies established by the Board, acting as the main point of communication between the BOD and corporate operation.

### **2.5. Code of Ethics**

This refers to as the formalised work and business ethics enforced within the Group.

### **2.6. Corporate Hospitality**

This refers to any considerate care of guests offered in the manner that complete expenses are borne by the company itself. This includes refreshments, accommodation and entertainment at a restaurant, hotel, club, resort and other venue.

### **2.7. Corruption**

Transparency International defines corruption as the abuse of entrusted power for private gain.

### **2.8. Donation**

This refers to the gift given out by the Group for charity, humanitarian aid or to support local community welfare, whether in-kind or by way of financial contribution.

### **2.9. Employee**

This refers to any person who is in the employment of the Group, but not limited to executives and non-executives, contract employees.

### **2.10. Extortion Payment**

This refers to money that is forcibly extracted from the Group or its employee by real or perceived threat to health, safety and liberty and is outside the scope of ABAC.

### **2.11. Facilitation Payment**

This refers to illegal or unofficial payment made in return for services that the Group is legally entitled to receive without making such payment. For example, a payment made to government official or a person with certifying/ approval function to expedite the necessary action in the capacity of abovementioned person.

## **2.12. Gift**

This refers to items given/ received by the Group to/ from a third party or items received by the Group from a third party without the expectation of payment or benefit in return. For example, but not limited to, voucher, gift cards, Company branded product or promotional items, hamper, and festive gifts (i.e., mooncake, mandarin orange, and other types of festive gifts, as decided by Management from time to time).

## **2.13. Guideline on Adequate Procedure**

This refers to the document issued by the Prime Minister's Department in December 2018, pursuant to Section 17A (4) and (5) of the MACC Act 2009 (amended 2018).

## **2.14. ISO 37001:2016**

This refers to the international standards on requirements and guidance for establishing, implementing, maintaining, reviewing, and improving an anti-bribery management system.

## **2.15. Limit of Authority**

This refers to the approved documents stipulating the approving authority and authority limits allowed for the Board and management at SWAP.

## **2.16. Management**

This refers to the management team of the Group, including HODs, Vice Presidents, Executive Directors, and the CEO.

## **2.17. Risk Management Committee**

This refers to the Risk Management Committee ("RMC") of SWAP, providing oversight of corruption risk assessment of the Group.

## **2.18. Sponsorship**

This refers to support, either financially or by way of product and/ or services for an event or activities organised by a profit/ non-profit organisation, local communities, government departments or agencies, primarily aimed at raising awareness about the Group profile.

## **2.19. Whistleblower**

This refers to a person (internal or external) raising, or reporting concerns of wrongful activities or wrongdoings as defined in the Whistleblowing Policy & Guidelines Document of SWAP.

## **2.20. Whistleblowing Policy & Guidelines**

This refers to the Whistleblowing Policy & Guidelines of SWAP, applicable to the Group.

### **3.0 Responsibility**

#### **3.1. Board of Directors**

- a. Sets commitment towards prohibition of bribery and corruption in the business conduct within the Group;
- b. Approves the ABAC Policy & Guidelines;
- c. Ensures the alignment of ABAC Policy & Guidelines to the strategy of the Group;
- d. Maintains oversight on ABAC governance, ensuring that best practices of ABAC management system are established, implemented, maintained, and reviewed to adequately address the Group's bribery and corruption risks, including the Policy & Guidelines; and
- e. Promotes appropriate ABAC culture within the Group.

#### **3.2. Chief Executive Office / Executive Director**

- a. Provides overall direction on the establishment, implementation and periodic review of ABAC Policy & Guidelines;
- b. Ensures the integration of ABAC Policy & Guidelines requirements into key organisation functions such as human resource management, procurement and finance, and enhance the underlying controls on these key functions so as to support ABAC Policy & Guidelines requirements;
- c. Supports the resource allocation and investment in a robust and effective ABAC Policy & Guidelines;
- d. Supports adequate training and awareness programmes for the employees of the Group;
- e. Communicates on the ABAC Policy & Guidelines, both internally and externally;
- f. Promotes appropriate ABAC culture within the Group; and
- g. Support other relevant management personnel in preventing and detecting bribery and corruption.

#### **3.3. Head of Finance Department / Director of Corporate Treasury and Accounting**

- a. Ensures that the ABAC Policy & Guidelines are adhered to within the Group;
- b. Reports on non-compliance cases to the RMC, including follow-up action status on the said cases;
- c. Attends to inquiries about SWAP's ABAC Policy & Guidelines and its practices within the Group; and
- d. Facilitates the corruption risk assessment periodically.

#### **3.4. Employee**

- a. Executes the ABAC Policy & Guidelines, including enhancement of underlying controls on affected functions under his/ her responsibility, as elaborated in this Policy & Guidelines;
- b. Adheres to the requirement of the ABAC Policy & Guidelines; and
- c. Reports on suspected bribery or corruption via the whistleblowing channel of SWAP.

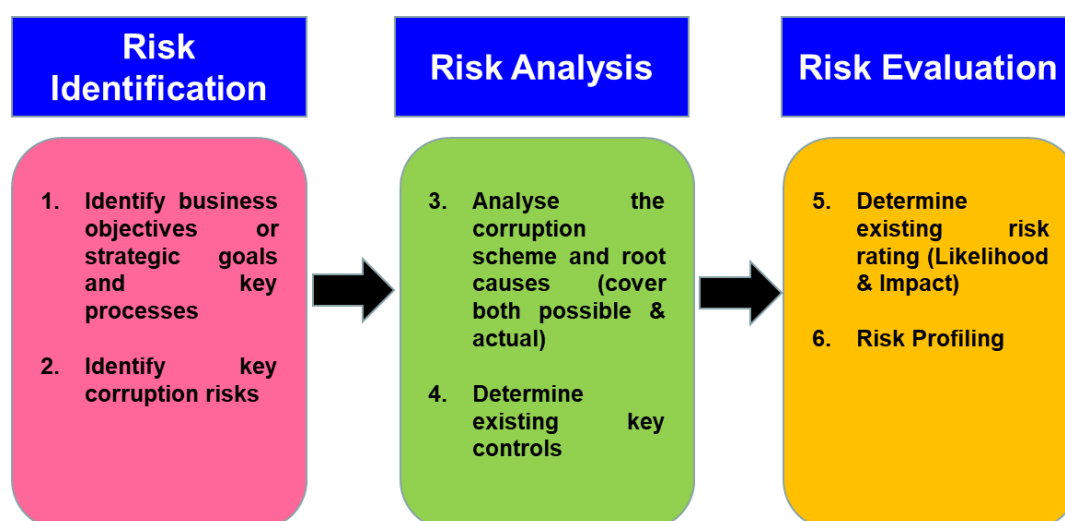


### 3.5. Amendments to Policy & Guidelines

If there is any requirement to update, improve, and / or amendments made to this Policy & Guidelines, proposed changes shall be submitted for authorisation and for approval by the CEO. Key information on addition of new policy / procedure and deletion or variation of existing policy / procedures shall be indicated for version control purpose.

## 4.0 Corruption Risk Assessment Approach

- a. SWAP had established a Corruption Risk Management Framework guided by ISO 37001:2016 and Guidelines on Adequate Procedures. The framework outlines the governance, structure and policies, assessment process, and integration of risk management into the Group operations activities to promote continuous monitoring on the corruption risk identified. The corruption risk assessment process is depicted in the diagram below:



- b. The BOD, through the RMC, which comprises of Executive Directors, Senior Management and selected Head of Departments shall oversee and ensure accountability of corruption risk identified with the corresponding controls to be implemented.
- c. The risk parameters (i.e., financial impact, customer relationship and reputation / media) are established to estimate the consequences of a risk, namely likelihood of occurrence and criticality of impact, based on SWAP's risk appetite.
- d. Risk Register is developed to capture potential corruption scheme(s), possible root causes, existing key controls and impact are maintained for the Group. The risks are then evaluated based on the likelihood of occurrence and criticality of impact (i.e., Low, Medium, High and Extreme) to provide a basis for Management in strategic decision-making process and mitigation of corruption risks.
- e. RMC of SWAP shall conduct regular risk assessment i.e., on a yearly basis and/or when there is a change in law or circumstance of the business to ensure the identified corruption risks are remains relevant and adequate mitigating controls are discussed and implemented.

- f. Specific anti-corruption plan shall be identified by the respective Heads of Department and reported to the CEO / CFO for review and monitoring.

## 5.0 Gift and Corporate Hospitality

SWAP recognises the importance of gift and corporate hospitality giving/ acceptance, donation and sponsorship activities to maintain good rapport with its vendors, customers and government officials. The policies and procedures set out below are to safeguard the Group's reputation and to protect its employee from allegation of soliciting bribe, corruption or exercising undue influence on external party(s) for personal gain.

### 5.1. "No Gift" Policy

- a. SWAP has adopted a "No Gift" policy whereby, subject only to certain narrow exceptions, SWAP employees and directors (executive and non-executive), family members or agents acting for or on behalf of SWAP employees, directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts.
- b. SWAP requires all employees and directors to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between SWAP and external parties as a gift can be seen as a bribe that may tarnish SWAP reputation or be in violation of anti-bribery and corruption laws.

As set out in provision 7.4 of the SWAP's Employee Handbook, a conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in SWAP for his or her personal benefit, including the benefit of his or her family/household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by SWAP from its employees and directors in the performance of their duties and obligations.

It is the responsibility of employees and directors to inform external parties involved in any business dealings with SWAP that the Company practices a "No Gift" policy and to request the external party's understanding for and adherence with this policy.

### 5.2. Exceptions to "No Gift" Policy

Although generally SWAP practices a "No Gift" policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:

- Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property);
- Gifts from the Company to external institutions or individuals in relation to the Company's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);

- Gifts from SWAP to employees and directors and/or their family members in relation to an internal or externally recognised Company function, event and celebration (e.g. in recognition of an employee's/director's service to the Company);
- Token gifts of nominal value normally bearing the SWAP or a company's logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company's brand building or promotional activities; and
- Gifts to charitable organisations or the equivalent who have no business dealings with SWAP (e.g. monetary gifts or gifts in-kind to charitable organisations).

### 5.3. Purchase of Gift and Corporate Hospitality

- a. Purchase requisition pertaining gift and corporate hospitality shall be a reasonable amount, subject to the approval of the CEO and in line with the Limit of Authority ("LOA"). Such gifts and hospitality shall fulfil **ALL** the following conditions prior to approval:
  - i. They are intended to maintain good rapport with the vendors/ customers of the Group and government officials;
  - ii. They are limited, customary and lawful under the circumstances;
  - iii. They do not have or perceived to be affecting action(s) or decision(s) of the receiving party;
  - iv. There shall be no expectation of any specific favour, benefit or advantages from the intended recipients;
  - v. There shall not be any corrupt/ criminal intent; and
  - vi. The giving out of gift or corporate hospitality shall be transparent.
- b. Purchase of gift or corporate hospitality, subject to the fulfilment of condition as stipulated in Clause 5.2 and Clause 5.3(a), is only permitted to the CEO and above within the Group.
- c. Any purchase of gift or corporate hospitality in nature shall be approved by the CEO, in line with the LOA.
- d. Purchase requisition pertaining to gift and corporate hospitality for government official from the public sector, it shall be restricted to statutory limit of the respective countries. However, gift in the form of cash or cash equivalent shall never be given or offered to any public or governmentofficials.
- e. Purchase requisition on gift or corporate hospitality shall be indicated with purpose of requisition, including client or vendor name or representative details.

- f. In the event of any dispute between any internal practice, existing policy and or procedure already imbedded within the constitution of the organisation prior to the commencement of this ABAC Policy & Guidelines, the **limits** set in Section 5 of this ABAC Policy & Guidelines shall prevail over all other documentation.

#### **5.4. Gift Acceptance**

- a. Under no circumstances that an employee of the Group shall receive or solicit for personal gift from an external party.
- b. Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of SWAP is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever SWAP's business relationship with the Third Party. However, in no circumstances may an employee, director or his/her family/household members accept gifts in the form of cash or cash equivalent.
- c. Any gift received by an employee of the Group from external party(s) valued up to RM250 requires approval from CEO, and above RM250 requires approval from CEO and CFO.

#### **5.5. Entertainment Acceptance**

- a. Employees of the Group shall exercise proper care and judgment prior to accepting entertainment from external party. This is vital to safeguard the Group's reputation and to protect its employee from allegation of soliciting bribe or corruption.
- b. Any entertainment received by an employee of the Group from external party(s) requires declaration to the Executive Director or CEO.

### **6.0 Corporate Social Responsibility**

- a. All Corporate Social Responsibility ("CSR") related sponsorships and donations shall be made in accordance with SWAP's policies with prior approval by authorised personnel in line with the LOA.
- b. Given the nature of SWAP's business, government agencies or local authority bodies may request for sponsorship and/ or donations in respect of CSR events. As part of SWAP's commitment to corporate social responsibility and sustainable development, as a general matter, SWAP provides such assistance in appropriate circumstances and in an appropriate manner.
- c. Such requests shall be examined for legitimacy and not be made to improperly influence a business outcome. The proposed recipient shall be a legitimate organisation and appropriate due diligence shall be conducted in particular to ascertain whether any public officials are affiliated with the organisation. Any red flags shall be resolved before committing any funds to the programme. Even requests determined to be legitimate shall be carefully structured to ensure that the benefits reach their intended recipients.

- d. If any employees or Directors are in any doubt as to whether a charitable contribution or social benefit is appropriate, Management shall seek legal consultation accordingly.

## 6.1 Donation and Sponsorship

- a. The Policy & Guidelines, in accordance with SWAP's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations shall comply with the following:
  - ensure such contributions are allowed by applicable laws;
  - obtain all the necessary internal and external authorisations;
  - be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
  - be accurately stated in the company's accounting books and records; and
  - not to be used as a means to cover up an undue payment or bribery.

Examples of red flags to look out for are as follows:

- The proposed recipient /organisation have affiliations with a public official or their relatives are involved;
  - The contribution is made on behalf of a public official;
  - There is a risk of a perceived improper advantage for SWAP; or
  - The proposed recipient is based in a high-risk country, the request comes from a high-risk country or the activity takes place in a high-risk country.
- b. SWAP requires employees to use good judgment and common sense in assessing the requests. When in doubt, employees shall seek for legal advice or escalate the matter to the Executive Director or CEO to determine the authenticity of such requests.
  - c. Donation and sponsorship are only permissible with prior approval by the Executive Director or CEO. All donations and sponsorship payment shall be supported with an official letter of request from the requesting external party and proof of receipt.
  - d. Donation or sponsorship which are more than RM 10,000 are subject to approval by the BOD and CEO.

## 6.2. Education Sponsorships

SWAP has a sponsorship programme with the objective to provide educational opportunities to deserving students to enable them to realise their potential and to contribute to the growth of SWAP and the nation.

The awarding of scholarships shall be based on strict guidelines and due diligence to ensure that only the most qualified and deserving students receive the scholarship award. This is crucial to ensure that no element of corruption is involved in the giving out of scholarships. The selection of sponsorship recipients shall be based on approved criteria such as academic qualifications and assessment results.

The process of selection shall be transparent and the reasons for selection shall be properly recorded. If the sponsorships are to be awarded to foreign public

officials or persons associated with foreign public officials' caution shall be exercised to ensure that the awarding of sponsorship would not violate any local laws and shall be in compliance with the approved sponsorship policy and guidelines of SWAP.

## **7.0 Facilitation and Extortion Payments**

- a. Facilitation payment to external party, in particular, government officials, is strictly prohibited as it is seen as a form of bribery and corruption. Extortion payment to external party, on the other hand, is not categorised as an illegal activity by legal means, as the health, safety and liberty of one is paramount.
- b. The Head of Finance and Director of Treasury and Accounting shall maintain a record of such event and report the payment to the relevant authority.

### **7.1. Facilitation Payment**

- a. Facilitation payment to external party, in particular, government officials, is strictly prohibited as it is seen as a form of bribery and corruption, unless it can be proven that such payment is legitimate and supported by an official receipt.
- b. Facilitation payment shall not be in any way or form be disguised or translated in personnel remuneration package.
- c. Subject to the fulfilment of criteria in Clause 7.1(a), facilitation payment request may be approved by the CEO.

### **7.2. Exception to Facilitation Payment (Extortion Payment)**

- a. Extortion payment to any party shall not be made unless the employee(s) and or their families health, safety and or liberty are threatened.
- b. Subject to the fulfilment of criteria in Clause 7.2(a), extortion payment request may be approved by the CEO.

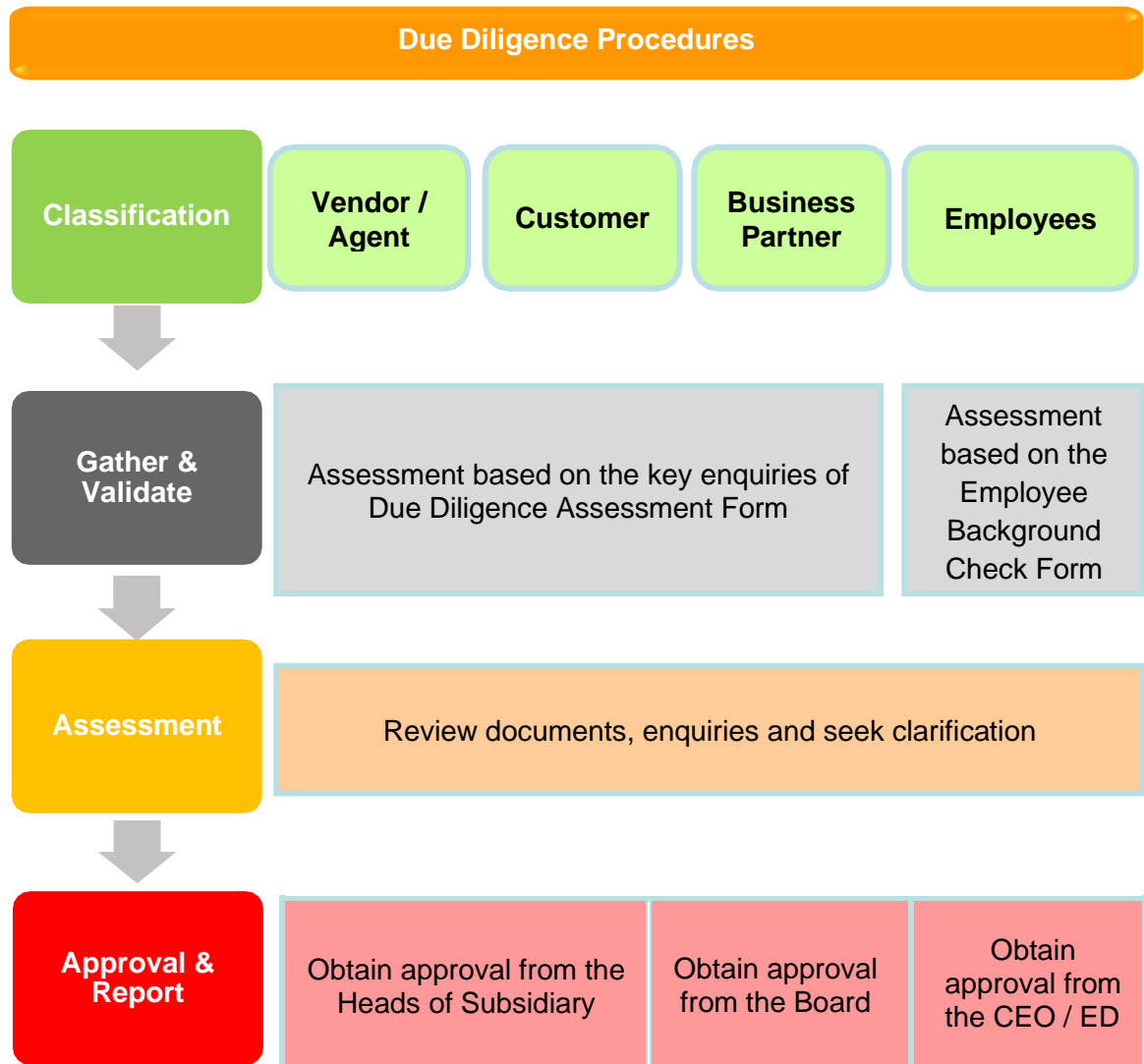
## **8.0 Due Diligence Procedures and Dealing with External Parties**

SWAP recognises the objective of due diligence procedures on customers, business partners, vendors, and employees to evaluate the risk of bribery and corruption associated with these parties. This also serves as a basis for decision making, whether to accept or reject before entering any contractual arrangement or business dealing.

SWAP Group shall require due diligence procedures to be applied on the key stakeholders below:

- i. Vendors or agents;
- ii. Customers;
- iii. Business partners; and
- iv. Employees.

The diagram below depicts the due diligence process flow:



## 8.1. Dealing with Vendors or Agents

- a. SWAP is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities by:
  - i. Adhering to the procurement policies and procedures;
  - ii. Avoiding dealing with any vendor, sub-contractors, or agents who are known or reasonably suspected of corrupt practices;
  - iii. Ensuring that all new vendors/ sub-contractors/ agents are subject to background assessment and conflict of interest check prior to registration and acceptance;
  - iv. Communicating the Policy & Guidelines requirements to vendor, sub-contractors or agents (Please refer to **Appendix A Vendor ABAC Declaration Form**);
  - v. All contracts / agreement entered with vendors, sub-contractors or agents to incorporate a provision whereby SWAP retains right to audit third party compliance with the Policy & Guidelines;
  - vi. All agents are required to declare on their adherence to the Policy & Guidelines requirements via **Appendix A Vendor ABAC Declaration Form** or through email correspondence acknowledgment; and
  - vii. **Appendix A Vendor ABAC Declaration Form** is to be acknowledged by all vendors by filling the form or through email correspondence acknowledgment.
- b. A due diligence assessment form titled New Vendor Set Up Checklist shall be used in guiding SWAP employee to undertake an assessment on the vendors', sub-contractors', or agents' background and reputation, including their conflict of interest. The key components of vendor/ agent due diligence procedures cover the following but may vary depending on the circumstances:
  - i. Corporate / business profile;
  - ii. Company search via Suruhanjaya Syarikat Malaysia ("SSM") or equivalent authorities in the respective countries of operation;
  - iii. Financial background;
  - iv. Directorship;
  - v. Past records of criminal, bribery, or corruption cases; and
  - vi. Potential conflict with existing employees or Director of the Group.
- c. The results and/ or any concern raised during this due diligence assessment shall be communicated to and with approval from the CEO prior to entering the relationship.

## 8.2. Dealing with Customers

- a. In ensuring that SWAP dealings with its customers complies with relevant rules, regulations and the Policy & Guidelines requirements, the safeguard procedures below are required:
  - i. All new customers are subject to background assessment and conflict of interest check prior to entering a business dealing; and
  - ii. A standard ABAC clause shall be included in all contracts / agreement entered with customers to enable the Company to terminate the contract in the event of any proven bribery or corruption activities.



- b. An internally established Due Diligence Assessment Form shall be used in guiding the employee of SWAP to undertake an assessment on the customers' background and reputation, including their conflict of interest. The key components of customers due diligence procedures cover the following but may vary depending on the circumstances:
  - i. Corporate / business profile;
  - ii. Company search via Suruhanjaya Syarikat Malaysia ("SSM") or equivalent authorities in the respective countries of operation;
  - iii. Financial background;
  - iv. Directorship;
  - v. Past records of criminal, bribery, or corruption cases; and
  - vi. Potential conflict with existing employees or Director of the Group.
- a. The results and/ or any concern raised during this due diligence assessment shall be communicated to the CEO prior to entering the relationship.

### **8.3. Dealing with Business Partners**

- a. To improve the background assessment, a due diligence process shall be carried out with regards to any business partner who intend to enter long terms business relationship with SWAP.
- b. Due diligence assessment shall be carried out to ensure business partner is not likely to commit bribery and corruption activities during its partnership with SWAP. Conflict of interest check shall also be carried out during due diligence and make declaration to the Board during evaluation. The key components of business partner due diligence procedures cover the following but may vary depending on the circumstances:
  - i. Corporate / business profile;
  - ii. Company search via SSM or equivalent authorities in the respective countries of operation;
  - iii. Financial background;
  - iv. Directorship;
  - v. Past records of criminal, bribery, or corruption cases; and
  - vi. Potential conflict with existing employees or Director of the Group.

### **8.4. Dealing with Public Officials**

A 'public or government official' is defined in the CoC which includes, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises other than SWAP. Caution shall be exercised when dealing with public officials. Providing gift, entertainment or corporate hospitality to public officials or their family/ household members is generally considered a 'redflag' situation in most jurisdictions.

SWAP shall not provide non-business travel and hospitality for any government official or his/her family/household members without permission from the CEO in consultation with a lawyer.

Other SWAP's policies and procedures on gift, entertainment and corporate hospitality shall also be abided by and copies of which can be obtained from the SWAP's Human Resource Department.

If approval is given to provide gift, entertainment or corporate hospitality to public officials, the Management shall ensure that the value of gift, entertainment or corporate hospitality shall not exceed the statutory limit.

## **8.5. Dealing on Recruitment of Employees**

- a. Background screening on shortlisted candidate(s) is required during the evaluation stage of recruitment process. An Information Release Form / Consent Form and Credit Check Consent Form is prepared by relevant agency and background checks are performed by them on shortlisted candidate(s) during the evaluation stage of recruitment process.
- b. Key considerations prior to acceptance of shortlisted candidate(s) cover the following:
  - i. Past criminal records (if any);
  - ii. Potential fraud, bribery or corruption committed in the previous organisation;
  - iii. Verification of past employment or institution of learning references, where applicable; and
  - iv. Conflict of interest, i.e. relationship with any employee, vendor, customer or Director of the Group.
- c. Recruitment due diligence result shall be vetted by the CEO/ Executive Director prior to acceptance of the candidate.
- d. Newly recruited employee(s) shall be provided with an onboarding programme, including the briefing on SWAP's ABAC Policy & Guidelines and CoC.
- e. All employees of SWAP shall declare their adherence to the Policy & Guidelines requirements via Appendix B Employee ABAC Declaration Form.

## **9.0 Reporting Procedures on Suspected Bribery or Corruption Activities**

Reference shall be made to the SWAP's Whistleblowing Policy & Guidelines Document pertaining to reporting procedures on suspected bribery or corruption activities.

Whistleblowers are encouraged to report in good faith or to raise a concern about any attempted, suspected and actual bribery or corruptions activities that violates to the Policy & Guidelines at the earliest possible stage.

Upon making a disclosure in good faith, based on reasonable grounds and in accordance with the procedures pursuant to the Whistleblowing Policies & Guidelines Document, the whistleblower shall be protected from any form of retaliation within the Group.

### **9.1. What to Report**

The key information or documents below are to be provided by the whistleblower to facilitate further investigation, if required:

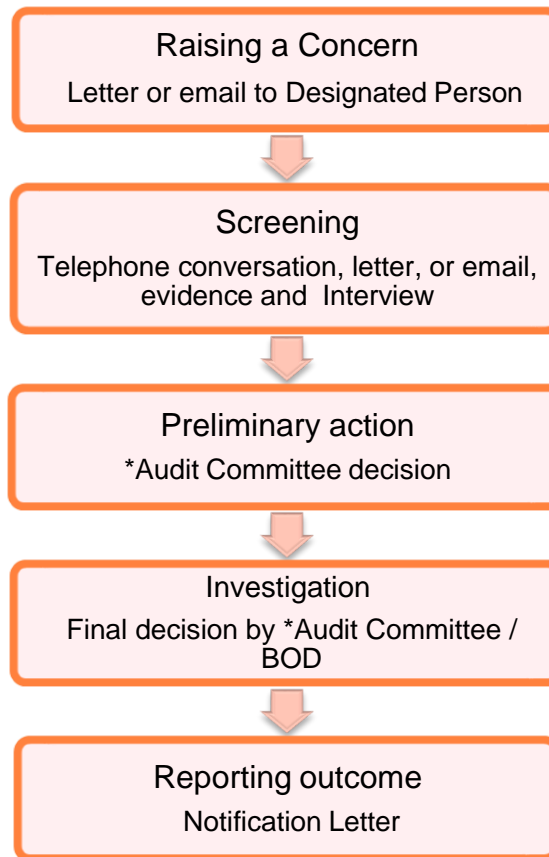
- a. Whistleblower's contact information
  - i. Name (\*)
  - ii. Designation
  - iii. Contact Number
  - iv. Email Address (\*)
- b. Suspect's information
  - i. Name
  - ii. Designation
  - iii. Contact Number
  - iv. Email Address
- c. Complaints / concerns
  - i. Incident date
  - ii. Affected parties
  - iii. Incident or event location
  - iv. Supporting documents (where applicable)
  - v. Other details or information which may assist the investigation

\* May leave the information blank if the whistleblower wishes to remain anonymous

## **9.2. How to Report**

Whistleblowers shall report their concerns using the reporting channels as stated in the Whistleblowing Policies & Guidelines Document, which is available on SWAP's website. Refer process flowchart below:

## How to Report:



## 10.0 Internal / External Assessment

- a. As part of the internal monitoring process, Head of Finance Department / Director of Corporate Treasury and Accounting shall review the underlying controls of ABAC and identify any non-compliance incidences on a quarterly basis.
- b. If any of Swap Asia Group's key stakeholders as defined in Clause 8.0 are found to have breached any ABAC rules and regulations or this Policy & Guidelines, including willful non-disclosure of suspected bribery and corruption, such breach may result to the following actions taken:

Key stakeholders	Actions taken
Employee	Disciplinary action by Swap Asia Group in accordance with the Anti-Bribery Policy and Code of Ethics of SWAP which includes termination of employment.
Vendor/ agents/ customers	<ol style="list-style-type: none"> <li>i. Subjected to BOD's approval, retain business dealings;</li> <li>ii. Discontinue business dealings with immediate effect;</li> <li>iii. Termination of contract with immediate effect; or</li> <li>iv. Legal proceedings if required.</li> </ol>

- b. SWAP shall engage with independent consultant to review and assess the adequacy and implementation of this Policy & Guidelines on a regular basis i.e., every three (3) years.

## 11.0 Training and Awareness Programme

- a. Annual training and awareness programme on ABAC shall be provided to SWAP's employees and key stakeholders as defined in Clauses 3.1 to 3.4 above, as appropriate to their roles and considering the bribery risk assessment.
- b. Updates on this Policy & Guidelines with regards to its content as well as regulatory requirement affecting the ABAC practices shall be communicated to SWAP's employees and key stakeholders.

## 12.0 Record-Keeping and Documentation

- a. All accounts, invoices, documents, and records relating to dealings with third parties, such as clients, suppliers, and business contacts, shall be prepared and maintained with completeness as well as compliance with relevant regulatory or statutory requirements.

Importance of proper and complete records to be maintained of all payments made to and from third parties in the usual course of business as these would serve as evidence of such payments were bona fide, and not linked to alleged corrupt and/or unethical conduct.

- b. SWAP is determined to uphold its commitment to maintain accurate and complete records, reflecting SWAP's highest ethical standards and accountability.

SWAP ensures any and all information in the Group's/ Company's documents and record keeping processes shall not:

- i. Intentionally reflect a false or misleading entry in an official company record, report, file or claim;
- ii. Be represented in a falsified, omitted, misstated, altered, concealed in any manner or form or otherwise misrepresent the facts on the Group's/ Company's records;
- iii. Engage in any scheme to defraud the Group/ Company or any other individual; and
- iv. Encourage and allow any persons to compromise the accuracy and integrity of records.

## Appendices

### Appendix A - Vendor ABAC Declaration Form

Vendor ABAC Declaration Form
<p>Our company, _____ (Company Name), (which includes its directors, officers and Employees who intend to conduct business transaction(s) with the Swap Asia Group Sdn. Bhd. and its subsidiaries, here-in-after referred to as the "SWAP Group") hereby to confirm that:</p> <ol style="list-style-type: none"> <li>A copy of the ABAC Policy &amp; Guidelines was provided, and we have read and understood the policy (A copy of the policy is available on <a href="http://www.swap-asia.com">www.swap-asia.com</a>). We agree and undertake to abide by all the terms and condition of the ABAC Policy &amp; Guidelines at all times.</li> <li>We have not been convicted nor are we subject of any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected bribery and corruption activities.</li> <li>If we have reasonable grounds to suspect any actual or suspected breach to the ABAC Policy &amp; Guidelines, we shall report such act to SWAP as soon as reasonably practicable.</li> <li>In the event that we are in breach of the ABAC Policy &amp; Guidelines, the SWAP Group may immediately terminate the contract / agreement entered without any liability whatsoever on the part of the SWAP Group to us. This is without prejudice to any other rights or remedies that the SWAP Group may have or any other appropriate action which the SWAP Group may seek under the terms of the applicable contract / agreement or the applicable rules and regulations.</li> </ol> <p>Yours sincerely,</p>  <p>_____  Name of Company Director (or Equivalent):  Name of Company:  Company stamp:</p>

## Appendix B - Employee ABAC Declaration Form

Employee ABAC Declaration Form
<p>I, _____ understand and agree to give consent to the following:</p> <ol style="list-style-type: none"> <li>A copy of the ABAC Policy &amp; Guidelines was provided, and I have read and understood the policy. I agree and undertake to abide by all the terms and condition of the ABAC Policy &amp; Guidelines at all times.</li> <li>I have not been convicted nor am I subject of any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected bribery and corruption activities.</li> <li>If I have reasonable grounds to suspect any actual or suspected breach to the ABAC Policy &amp; Guidelines, I shall report such act to the Board or Management of Swap Asia Group Sdn. Bhd. ("SWAP" or "Company") as soon as reasonably practicable.</li> <li>In the event that I am in breach of the ABAC Policy &amp; Guidelines, SWAP may take disciplinary action against me and/ or immediately terminate employment without any liability whatsoever on the part of SWAP to me. This is without prejudice to any other rights or remedies that SWAP may have or any other appropriate action which SWAP, may seek under the terms of the applicable employment contract or the applicable rules and regulations.</li> </ol> <p>Yours sincerely,</p> <p>_____  Name:  NRIC:</p>