



**Ornapaper Berhad**

**Volume 1**

**ANTI BRIBERY AND CORRUPTION FRAMEWORK**

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**PART A: OBJECTIVE, DEFINITIONS AND SCOPE****A.1. Objective and Anti-Bribery and Corruption (“ABC”) Commitment**

The Code of Ethic of Ornapaper Berhad (“the Company”) and its subsidiaries worldwide (“collectively with the Company, “the Group”) approved by the Board of Directors of the Company set out the core principle in relation to anti-bribery and corruption whereby **the Group upholds highest standards of integrity in all business interactions and a zero-tolerance on any and all forms of Gratification** (including but not limited to, the acts to promise, offer, give, accept or obtain any Gratification and any attempt thereof). Officers and Employees who refuse to pay bribes or participate in acts of corruption will not be penalized even if such refusal may result in losing business. All business dealings should be transparently performed and accurately reflected on records with monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws and best practices.

The core objective of this Anti-Bribery and Corruption Framework is to establish adequate procedures as well as policies and controls to ensure the Group's compliance with the principle of zero-tolerance on any and all forms of Gratification as well as applicable Anti-Bribery and Corruption laws and regulations. In addition, it is an overriding principle that the Group's businesses are to be conduct in a honest and ethical manner. This ABC Framework is also to encourage the reporting of any form of Gratification in good faith in confidence without the fear of reprisal. The non-compliance with this Framework and applicable laws and regulations in any jurisdiction shall be subject to Part L: Dealing with Non-Compliance.

If a law of the country in relation to the anti-bribery and corruption conflicts with the policy or procedure set out in this ABC Framework, the law of the country in relation to the anti-bribery and corruption shall prevail. However, if a local custom or practice conflicts with this ABC Framework, this ABC Framework shall prevail.

**A.2. Definition**

“ABCM” is defined as Anti-Bribery and Corruption Management established and implemented by the Group in the management of Bribery and Corruption risks and to comply with the relevant laws and regulations in relation to Anti-Bribery and Corruption.

“Agent” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework.

“Associate” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework.

“Business Associate” is defined as 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 and investors.

"Bribery and Corruption" is defined as any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework. Therefore, such acts involve offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organization.

"Conflict of Interest" is defined as when a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making at the Group.

"Controlled organization" is defined as an entity where the Company or any of its subsidiary has the decision-making power over the organization such that it has the right to appoint and remove the management, i.e. where the Company or any of its subsidiary has the controlling interest (>50% of the voting share ownership) or where the Company or any of its subsidiary has the right to appoint the management but owns less than 50% of the voting shares.

"Corporate Hospitality" is defined as corporate events or activities (include but are not limited to sporting events, gala dinners, concerts or activity based events, such as, golf tournaments organized by an organization) which involves the entertainment of employees and third parties (i.e. include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists) for the benefit of that organization, to include accommodation for business associates.

"Employee" is defined as any person who is in the employment of the Group, including but not limited, to executives, non-executives, secretaries, secondees and individuals on direct hire.

“Facilitation Payment” is defined as illegal or unofficial payment made in return for services which the payer is legally entitled to receive without making such payment and normally as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.

“Foreign Public Official” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework.

“Gratification” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework and includes but not limited to, abuse of function, abuse of public property, bribery, clientelism/cronyism, concealments, corruption, embezzlement, illicit enrichment, insider trading, kickback, money laundering, nepotism, obstructing of justice, patronage, trading in influence and facilitation money.

“High Risk Country” is defined as countries perceived to have high levels of corruption and which have score of less than 50 based on Corruption Perception Index published by Transparency International.

“Investment” is defined as investment in any name called not resulting insignificance influence over such company or entity and solely for the purpose of generating of passive income from the excess fund.

“Lobbying” is defined as any direct or indirect communication with public officials, political decision-makers or representatives for the purposes of influencing public decision-making and carried out by or on behalf of any organized group.

“Merger and Acquisition” is defined as any acquisition of equity interest in a company or entity resulting in significance influence over such company or entity.

“Monetary Instrument” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework.

“Money Laundering” is as defined under 3 of Anti-Money Laundering and Anti-Terrorism Financing Act 2001 and any amendment thereof after the effective date of this ABC Framework.

“Officers” is defined any person as defined under Section 2 of Malaysian Companies Act 2016 and any amendment thereof after the effective date of this ABC Framework, including but not limited to, executive and non-executive directors.

“Officer of Public Body” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework.

“Person Connected” is as defined under Section 197 of the Companies Act 2016 and any amendment thereof after the effective date of this ABC Framework and including Relative.

“Political Exposed Person” is defined as individual who is or has been entrusted with a prominent public function by any country.

“Principal” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework.

“Property” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework.

“Public Officials” is defined as Officer of Public Body and Foreign Public Official.

“Relative” is as defined under Section 3 of Malaysian Anti-Corruption Commission Act 2009 and any amendment thereof after the effective date of this ABC Framework.

“Non-Public Organization” is as defined a non-public organization, also known as an entity not open to, shared by, or concerning the public.

### **A.3. Scope of ABC Framework**

#### **THIS ABC POLICY IS APPLICABLE TO ALL OFFICERS AND EMPLOYEES OF THE GROUP AND CONTROLLED ORGANISATION.**

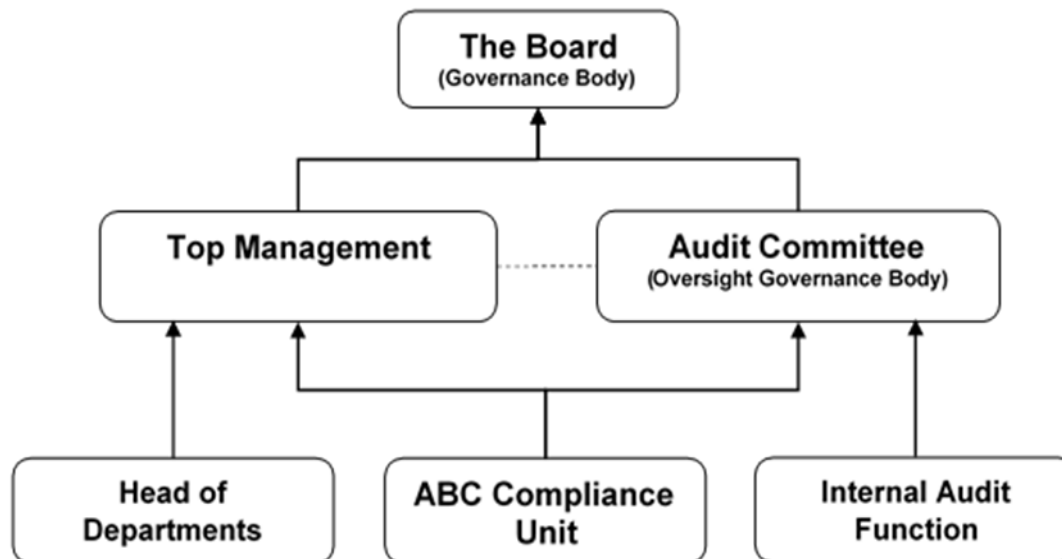
All Business Associates acting on the Group's behalf (including but not limited to, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group) will have to comply with the principles, policies and procedures as established in this ABC Framework when performing their work or services.

Associated companies of the Group and joint-venture companies in which the Company or its subsidiary(ies) is a non-controlling co-venturer are encouraged to adopt the principles, policies and procedures as established in this ABC Framework.



**PART B: GOVERNANCE STRUCTURE**

**B.1. Governance Structure and Roles and Responsibilities**



The roles and responsibilities of each function in the ABC governance structure is as follows:

**Function**

Board of Directors  
("the Board")

**Roles/Responsibilities**

: Primarily responsible for Anti-Bribery and Corruption Management ("ABCM") and ABC Policy on group wide basis. This would involve:

- (a) To provide ultimate leadership and commitment to ABM, including setting the ABC Commitment and promoting appropriate ABC culture within the Group;
- (b) To review, determine and approve the Group's ABCM and ABC Policy and to ensure that such ABCM and ABC Policy is in line with the Group's mission, vision, strategies and business objectives;

Board of Directors  
("the Board")  
("Cont'd")

- (c) To set the risk appetite in relation to bribery and corruption risks and to review the results of the risk assessment in relation to bribery and corruption risks of the Group (at least on an annual basis) and determine the adequacy of the scope of coverage and acceptability of the residual bribery and corruption risks of the Group and proposed management action plan(s) (if applicable);
- (d) To ensure the adequacy and effectiveness of the Group's governance, ABCM and control structure and processes to manage bribery and corruption risks of the Group to a level acceptable to the Board;
- (e) To review the performance on the compliance of ABCM on yearly basis or as and when required, including but not limited to, non-compliance of ABCM and responses, results of scheduled internal audit on bribery and corruption risks, allocation of resources and responsibilities, progress of management action plans to rectify or improve management of bribery and corruption risks, training and communication on bribery and corruption risks and to ensure corrective action taken to address the shortcomings and continuous improvements implemented to enhance the ABCM;

Board of Directors  
("the Board")  
("Cont'd")

(f) To review the incidents reported under ABCM's reporting channel and whistleblowing channel, the progress of the investigations, the results of the investigation, whether adequate management action plans taken to rectify and resolve the incidents reported and to ensure that the identity of the whistleblower is protected and such whistleblower will be protected from reprisal, including any form of harassment and victimization, as a consequence of his genuine disclosure and comply with relevant laws and regulations in relation to protection of whistleblower; and

(g) To ensure adequate and appropriate resources are allocated and assigned to implement ABCM and for effective and efficient operation of the ABCM.

(h) To review the performance on compliance of ABC Management System including bribery related risk assessments.

Audit Committee  
("AC")

: Delegated with the oversight roles and responsibilities by the Board in relation to ABCM:

(a) To review and assess the Group's ABCM and ABC Policy to ensure its adequacy and effectiveness in line with the ABC commitment and risk appetite by the Board and whether it is in line with the Group's mission, vision, strategies and business objectives with the results and recommendation reported to the Board;

Audit Committee  
("AC") ("Cont'd")

- (b) To review the implementation and compliance with approved Group ABCM and ABC Policy (including policies and processes) and to ensure that bribery and corruption risks identified are being responded to appropriately with the results and recommendation reported to the Board;
- (c) To review the results of the risk assessment in relation to bribery and corruption risks of the Group (at least on an annual basis) and determine the adequacy of the scope of coverage and acceptability of the residual bribery and corruption risks of the Group and proposed management action plan(s) (if applicable) with the results of its review and recommendation reported to the Board;
- (d) To review the adequacy and effectiveness of the Group's governance, ABCM and control structure and processes to manage bribery and corruption risks of the Group to a level acceptable to the Board with the results of its review and recommendation reported to the Board;

Audit Committee  
("AC") ("Cont'd")

- (e) To review the reports on the performance on the compliance of ABCM on half yearly basis or as and when required, including but not limited to, non-compliance of ABCM and responses, results of scheduled internal audit on bribery and corruption risks, allocation of resources and responsibilities, progress of management action plans to rectify or improve management of bribery and corruption risks, training and communication on bribery and corruption risks and to review the corrective action taken to address the shortcomings and continuous improvements implemented to enhance the ABCM with the results of the review and recommendation reported to the Board;
- (f) To review the reports on the incidents reported under ABCM's reporting channel and whistleblowing channel, the progress of the investigations, the results of the investigation, whether adequate management action plans taken to rectify and resolve the incidents reported and to review the procedure that the identity of the whistleblower is protected and such whistleblower will be protected from reprisal, including any form of harassment and victimization, as a consequence of his genuine disclosure with the results of the review and recommendation reported to the Board and comply with relevant laws and regulations in relation to protection of whistleblower;

Audit Committee  
("AC") ("Cont'd")

(g) To review whether adequate and appropriate resources are allocated and assigned to implement ABCM and for effective and efficient operation of the ABCM with the results of the review and recommendation reported to the Board;

(h) To review the adequacy and effectiveness of the Group's ABCM and internal control system established and implemented by Top Management to manage bribery and corruption risks through internal audit reports from Internal Audit Function with the results of the review reported to the Board.

(i) To review the performance on compliance of ABC Management System including bribery related risk assessments.

Top Management

: Delegated with the roles and responsibilities by the Board in relation to ABCM, with the assistance from the Head of Departments:

(a) To champion the cause of an adequate and effective ABCM throughout the Group in order to achieve the ABC commitment and objectives approved by the Board and to cultivate appropriate ABC culture within the Group;

(b) To ensure ABCM, including objective, policy and procedures, is designed, established, implemented, maintained and reviewed to adequately and effectively manage bribery and corruption risks;

- (c) To ensure that ABCM, including objective, policy and procedures, is integrated into the Group's business processes and to all level of Group, horizontally and vertically;
- (d) To ensure that adequate and appropriate resources are allocated and assigned to implement and for effective and efficient operation of ABCM and ABC Compliance Unit, including provide proper guidance and direction;
- (e) To ensure adequate and effective communication of the ABC Policy and ABCM, including the requirement to comply thereof, throughout the Group and externally with all stakeholder groups;
- (f) To ensure continuous assessment and update of the bribery and corruption risks by ABC Compliance Unit and Risk and Sustainability Working Group ("RSMWG") via Risk Registers (including incorporation new or emerging risks for monitoring) as well as implementation of management action plan (if required) and to report to Audit Committee on the results of its assessment and its management action plan;
- (g) To establish appropriate reporting channel for suspected and actual bribery and corruption, including procedure that the identity of the informer and whistleblower is protected and such informer and whistleblower will be protected from reprisal, including any form of harassment and victimization, as a consequence of his genuine disclosure and comply with relevant laws and regulations in relation to protection of whistleblower;

- (f) To undertake continuous improvement on the ABCM to ensure its adequacy, effectiveness and relevance to the changes in internal and external business context and relevant ABC laws and regulations;
- (g) To ensure adequate trainings in relation ABC are provided to all Officers and Employees within the Group, Associates, Agent, associate companies, joint venture companies and Business Associates as well as to obtain their commitment on the compliance of the ABCM and ABC Policy.

ABC Compliance Unit : Delegated with the roles and responsibilities by Top Management in relation to ABCM and ABC Policy as follows:

- (a) To act as central contact and guide for all ABCM and ABC Policy within the Group and to provide advice and guidance to Officers, Employees and Business Associates on the ABCM and ABC Policy and any issues in relation to anti-bribery and corruption;
- (b) To oversee the implementation of ABCM and ABC Policy (including training and communication) approved by the Board;
- (c) To oversee the risk assessment in relation to bribery and corruption risks of the Group (at least on an annual basis) by RSMWG and to provide guidance on the adequacy of the scope of coverage and acceptability of the residual bribery and corruption risks of the Group and proposed management action plan(s) (if applicable);



ABC Compliance Unit  
(Cont'd)

- (d) To ensure that appropriate enhanced measures and controls (including but not limited to, due diligence) are established for activities, Officers/Employees and Business Associates that are more than a low bribery and corruption risks;
- (e) To act as recipient of ABCM's incident reporting channel, to perform investigation on incidents reported under the channel, to determine appropriate action to be taken on the results of the investigation and to report the progress of the investigations, the results of the investigation, whether adequate management action plans taken to rectify and resolve the incidents reported and to ensure that the identity of the informer is protected and such informer will be protected from reprisal, including any form of harassment and victimization, as a consequence of his genuine disclosure and comply with relevant laws and regulations in relation to protection of whistleblower;
- (f) To attend relevant full trainings/courses on ABC at least one (1) day per financial year; and
- (g) To document all ABCM activities and meetings within the Group.

Delegated with the roles and responsibilities by the Audit Committee in relation to ABCM and ABC Policy as follows:

ABC Compliance Unit  
(Cont'd)

- (a) To receive management reports generated internally for the identification of non-compliance of ABCM and ABC Policy and to perform scheduled internal audit on the compliance of ABCM and ABC Policy reviewed by the Audit Committee and approved by the Board;
- (b) To report on the performance on the compliance of ABCM on half yearly basis or as and when required, including but not limited to, non-compliance of ABCM and ABC Policy as well as responses, allocation of resources and responsibilities, progress of management action plans to rectify or improve management of bribery and corruption risks, training and communication on bribery and corruption risks and to review the corrective action taken to address the shortcomings and continuous improvements implemented to enhance the ABCM; and
- (c) To report on the incidents reported under ABCM's reporting channel, the progress of the investigations, the results of the investigation, whether adequate management action plans taken to rectify and resolve the incidents reported and to review the procedure that the identity of the informer is protected and such informer will be protected from reprisal, including any form of harassment and victimization, as a consequence of his genuine disclosure.

- Head of Departments : Delegated with the roles and responsibilities by Top Management in relation to ABCM and ABC Policy:
- (a) To ensure ABCM, including objective, policy and procedures, is implemented and maintained to adequately and effectively manage bribery and corruption risks;
  - (b) To integrate ABCM and ABC Policy are integrated into the business processes under his/her control;
  - (c) To continuously identify bribery and corruption risks and evaluate existing controls. If controls deemed ineffective, inadequate or non-existent, to establish and implement controls to reduce the likelihood and/or impact;
  - (d) To report to the RSMWG and ABC Compliance Unit of the emergence of new bribery and corruption risks or change in the existing bribery and corruption risks through the use of Key Risk Register on a timely manner;
  - (e) To assist with the development of the management action plans and implement these action plans;
  - (f) To ensure that staffs working under him/her understand the ABCM and ABC Policy and the importance of the compliance of ABCM and ABC Policy; and
  - (g) To ensure adequacy of training for staff on ABCM and ABC Policy upon joining and annually.

Internal Audit Function : Internal audit function is responsible for:

- (a) To perform review, based on the internal audit plan reviewed by the Audit Committee and approved by the Board, on the adequacy and effectiveness of the Group's governance, ABCM and control structure and processes to manage bribery and corruption risks of the Group to a level acceptable to the Board and to report the same to the Audit Committee;
- (b) To review whether all relevant bribery and corruption risks have been identified and managed adequately for business activity(ies) under review and to report the same to the Audit Committee; and
- (c) Verifying compliance with the ABCM, ABC Policy and Procedures and relevant anti-bribery and corruption laws and regulations and to report the same to the Audit Committee.

## **B.2. ABC Compliance Unit**

ABC Compliance Unit comprises of members made up of the following senior management personnel within the Group:

### **Designated Compliance Officer**

- Ms. Theresa Foo

**Members of ABC Compliance Unit**

- Mr. Ng Choon Huat
- Ms. Tey Siew Eng
- Ms. Tan Hwey Lin
- Ms. Christine Lee
- Ms. Christina Chiang

**i. Authorities**

ABC Compliance Unit is vested with the following authorities:

- have the adequate resources which it needs to perform its duties;
- have full access to any information which it requires in the course of performing its duties;
- have direct communication channels with Top Management, the Audit Committee and the Board, as the case may be, to obtain information and feedback in performing its duties and to report the results of the review of the ABCM and ABC Policy and the compliance thereof;
- delegate the roles and responsibilities of ABC Compliance Unit to competent senior personnel in Human Resources & Admin, Sales & Marketing, Procurement, Accounts & Finance and Audit / ISO & QA Department except in relation to incident reporting under ABCM's incident reporting channel and investigation thereof; and
- to obtain the services of the external professional at the expense of the Group in carrying out its duties.

Designated Compliance Officer have the authority to carry out investigation on the suspected and actual bribery and corruption reported to him/her and to determine appropriate action to be taken on the results of the investigation and to ensure that the identity of the informer is protected and such informer will be protected from reprisal, including any form of harassment and victimization, as a consequence of his genuine disclosure which is in compliance with relevant laws and regulations in relation to protection of whistleblower.

In the event that the Designated Compliance Officer is the alleged wrongdoer in relation to the incident to be reported, the informer can report genuine wrongdoings to other member of the ABC Compliant Unit. If both members of the ABC Compliant Unit are the alleged wrongdoers in relation to the incident to be reported, the informer can report the incident via the Whistleblowing channel as stipulated in the Whistleblowing Policy of the Company.

#### **ii. Secretary**

- The Secretary of the ABC Compliance Unit shall be appointed by the members who should be competent senior personnel in Audit / ISO & QA Department.
- The Secretary to the ABC Compliance Unit is to assist the ABC Compliance Unit in performing work pertaining summoning of meeting, preparation of agendas, collation of management reports on the performance of ABCM and compliance with ABC Policy and all relevant supporting documents for the meeting and keeping of minutes.

**iii. Meetings**

- ABC Compliance Unit shall meet at least once a year. The quorum for a meeting shall be 100% of the existing members of the ABC Compliance Unit.
- Any member of the ABC Compliance Unit may call for a meeting as and when required with reasonable notice as such members deem fit (preferably 5 business days' notice with agenda of matters to be discussed).
- ABC Compliance Unit may invite any non-member and external professionals who the ABC Compliance Unit thinks fit and proper to attend its meeting to assist in its deliberations and resolutions of matters raised.

**iv. Confidentiality**

- All members of ABC Compliance Unit shall have an obligation to treat all information received and discussed in carrying out its duties and responsibilities and in the meeting in a confidential manner.

**PART C: RISK ASSESSMENT**

The risk assessment process shall be governed by the Group Risk Management Framework approved by the Board and shall be performed by the Company and individual subsidiaries individually and submitted to the ABC Compliance Unit for review and to determine adequacy of existing and proposed control activities to mitigate existing and potential bribery and corruption risks.

This process primarily involves:

- (a) identifying the mission, vision, core values, strategies and business objectives of the Group to ensure that the risk management activities are carried out in the pursuit of mission, vision, core values, strategies and business objectives established, including the ABC commitment;
- (b) identifying the bribery and corruption events/conditions that, should they occur, would lead to the objectives and ABC commitments not being achieved;
- (c) assessing the probability that the bribery and corruption risk events could occur and the significance of their impact to achieving the mission, vision, core values, strategies and business objectives, including the ABC commitment;
- (d) identifying financial and non-financial controls as well as due diligence processes that are put in place that prevent or detect the occurrence of the bribery and corruption risk or mitigate the impact;
- (e) assessing the possibility and impact of the risk having considered the existence and effectiveness of the financial and non-financial controls as well as due diligence processes identified;



(f) identifying options available to manage the bribery and corruption risk identified and to evaluate such options and to determine response to such risk and resulting management actions, in the event that the financial and non-financial controls as well as due diligence processes are non-existence or are not adequate and/or effective;

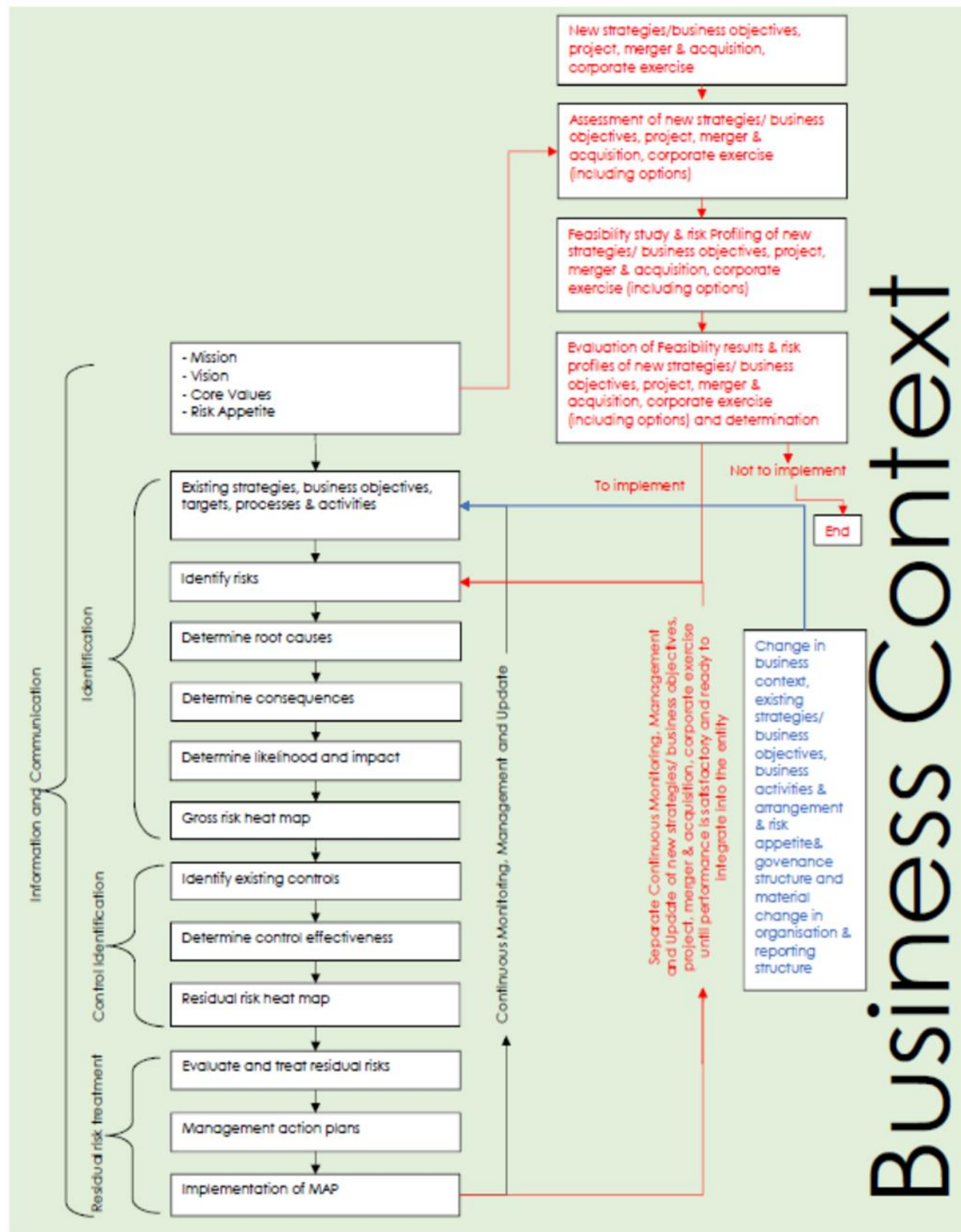
(g) establishing effective information and communication system at all level of organization to facilitate effective risk management activities and to provide trainings continuously to ensure bribery and corruption risk awareness and bribery and corruption risk management continuity; and

(h) monitoring of adequacy and effectiveness of bribery and corruption risk management continuously, through internal verification and verification from independent party.

The risk assessment shall be performed when the ABC Compliance Unit deems necessary in the following circumstances:

1. Change in internal or external business context;
2. Merger and acquisition as well as joint venture; or
3. Change in business arrangements and business activities.

In any event, the performance of risk assessment by the Company and its subsidiaries shall be performed at least once during the 3rd calendar year subsequent to the performance of the latest risk assessment exercise.



### **C.1. Risk Identification**

In identifying bribery risks, the following sources of bribery risks will be used as a guide to ensure that all bribery risks have been identified.

- **Governance:** – governance structure and processes for managing the bribery risks.
- **Transactional:** – bribery risks arising from daily transactions, e.g. high cash payment for goods & services, donations.
- **Country & sectoral risks:** – inherent risks that certain business activities in countries or sectors that pose a higher bribery risk.
- **Business opportunity risk:** – risks in relation to high value projects or involving many contractors or projects which are not apparently undertaken at market prices/do not have a clear legitimate objective.
- **Business relationship risk:** – Risk in relation with business relationship, i.e. agent, consultant.

The identification of risk shall be performed by the risk owners (i.e. the head of all functional units of the Company and individual subsidiaries), RSMWG and ABC Compliance Unit. The ABC Compliance Unit should have sufficient details such as the following:

- i. The potential causes that could result in the risk event occurring; and
- ii. The potential consequences when such risk materialize.

## **C.2. Risk Assessment Process and Risk Rating System**

The bribery and corruption risks identified shall be rated based on the following criteria. Best judgement should be made based on the tables below assuming that the Group carry on its business activities with implementation of controls to manage or mitigate the risk.

- a) Possibility of bribery and corruption risk occurring; and
- b) Impact to the Group should the bribery and corruption risk occur – financially, reputation wise, effects of risk consequence.

With all the relevant financial and non-financial controls as well as due diligence processes for a particular risk have been identified, the risk shall be rated at Residual level, take into consideration of the adequacy and effectiveness of the financial and non-financial controls as well as due diligence processes put in place, in terms of possibility of the risk occurring and its impact when it occurs after taking into consideration existing financial and non-financial controls as well as due diligence processes using the rating tables as follows.

i. **Possibility rating** used for is as follows:

ID	Description	User Description
5	Highly Likely	<ul style="list-style-type: none"> <li>• Very likely to happen &amp; the event may occur more than once on a monthly basis</li> <li>• Speculative with no mitigation procedure</li> <li>• &gt; 75% chance of probability within next 12-24 months</li> </ul>
4	Likely	<ul style="list-style-type: none"> <li>• Highly likely to happen &amp; the event may occur more than once on a quarterly basis</li> <li>• Analytically demonstrated possible mitigate procedure</li> <li>• 50-75% chance of probability within next 12-24 months</li> </ul>
3	Moderate	<ul style="list-style-type: none"> <li>• Known to happen &amp; the event might occur at some time, i.e. once per quarterly basis</li> <li>• Partially demonstrated or mitigated by existing procedure</li> <li>• 25-50% chance of probability within next 12-24 months</li> </ul>
2	Unlikely	<ul style="list-style-type: none"> <li>• Very low likelihood of happening &amp; the event could occur at some time, i.e. once in a year</li> <li>• Demonstrated or well mitigated by existing procedure</li> <li>• 0-25% chance of probability within next 12-24 months</li> </ul>
1	Seldom	<ul style="list-style-type: none"> <li>• The event may occur only in exceptional circumstances, e.g. once in every 3 years</li> <li>• Not known to happen, proven or completely mitigated by existing procedure</li> <li>• Minimal chance of probability within next 12-24 months.</li> </ul>

**ii. Impact rating (Financial aspect)**

ID	Consequences				
	1	2	3	4	5
Factors	Insignificant	Minor	Moderate	Major	Catastrophic
Revenue (Based on latest available audited financial statements)	• < RM 100,000 decrease in revenue	• RM 100,000 to 2.0% decrease in revenue	• 2.0% to 10.0% decrease in revenue	• 10% to 30% decrease in revenue	• > 30% decrease in revenue
Gross Profit (Based on latest available audited financial statements)	• < RM 100,000 decrease in gross profit	• RM 100,000 to 2.0% decrease in gross profit	• 2.0% to 10% decrease in gross profit	• 10% to 30% decrease in gross profit	• > 30% decrease in gross profit
Profit/(Loss) before taxation for the year (Based on latest available audited financial statements)	• < RM 50,000 decrease in profit	• RM 50,000 to 2.0% decrease in profit	• 2.0% to 10% decrease in profit	• 10% to 30% decrease in profit	• > 30% decrease in profit
Cash flow impact	<ul style="list-style-type: none"> <li>Insignificant impact</li> <li>Reduce cash flow from operating activities by &lt; RM 50,000</li> </ul>	<ul style="list-style-type: none"> <li>Cash flow impact absorbed under normal operating conditions</li> <li>Reduce cash flow from operating activities by RM 50,000 &lt; X &lt; RM 1.0 million</li> <li>Gearing ratio increased by &lt; 10%</li> </ul>	<ul style="list-style-type: none"> <li>Cash flow is affected negatively and working capital requirements rely on external funding</li> <li>Reduce cash flow from operating activities by RM 1.0 million &lt; X &lt; RM 5.0 million</li> <li>Gearing ratio increased by 10% to 30%</li> </ul>	<ul style="list-style-type: none"> <li>Cash flow is adversely affected and rely heavily on external funding for working capital</li> <li>Resulting in negative cash flow from operating activities</li> <li>Gearing ratio increased by 30% to 100%</li> </ul>	<ul style="list-style-type: none"> <li>Imminent cash flow problems resulting in inability to meet liabilities / obligations</li> <li>Gearing ratio increased by &gt; 75%</li> </ul>
Financial institution / Debt Financing	• No clawback by financial institution.	• 10% drawn down financial facilities or debt equity are being clawback and no difficulty in obtaining additional funding to meet the call-back.	• 10% to 30% drawn down financial facilities or debt equity are being clawback and facing some difficulties which can be overcome within 3 months	• 30% to 80% drawn down financial facilities or debt equity are being clawback and facing difficulties which take more than 3 months to overcome.	• More than 80% of financial facilities or debt equity are being drawn back and being blacklisted for future borrowings from any financial institution. Winding up proceeding is being instituted against the company.

**iii. Impact rating (Non-Financial aspect)**

ID	Consequences				
	1	2	3	4	5
Factors	Very Low	Low	Medium	High	Very High
Anti-Bribery and Corruption		Verbal feedback and comment on non-compliance and no penalty imposed by regulators or governing authorities	Complaint on minor non-compliance reported to or instance of minor non-compliance discovered by ABC Compliance Unit and promptly resolved and corrective action implemented. No penalty imposed by regulators or governing authorities.	Written warning on non-compliance and/or penalty imposed by regulators or governing authorities	Violation of Anti-Bribery and Corruption resulting in prosecution by regulators or governing authorities
Image / reputation	Minimal / no impact on image / reputation	There is potential impact on image / reputation with minor complaints	Image / reputation will be affected in the short term with complaints to minister / local members and stakeholders	Serious with potential for permanent diminution in image / reputation with adverse publicity	Sustained, serious loss in image / reputation in longer term with extensive negative nationwide media coverage
Management's effort	Impact can be readily absorbed through normal activity	An adverse event which can be absorbed with some management effort	A serious event which requires additional management effort	A critical event which requires extraordinary management effort	Disaster with potential to lead to collapse of the business
Business disruption	• < 1 day	• 1 day < X ≤ 7 days	• 7 days < X ≤ 14 days	• 14 days < X ≤ 30 days	• > 30 days
Employees	• < 5% employee turnover rate involving non key position	• 5% to 10% employee turnover rate. • Involving 1 key position resignation.	• 10% to 20% employee turnover rate. • Involving not more than 2 key position resignations.	• 20% to 50% employee turnover rate. • Involving not more than 3 key position resignations. • Employee strike may occur.	• High employee turnover rate. More than 50%. • Involving more than 3 key position resignations. • Employee strike for more than 3 days.

## C.2. Risk Assessment Process and Risk Rating System

Consequently, the all rated risks will be mapped in the Gross Risk Heat Map as illustrated below.

Impact	Likelihood				
	Seldom	Unlikely	Moderate	Likely	Highly Likely
Catastrophic					
Major					
Moderate					
Minor					
Insignificant					

## C.3. Control Activities Identification Process

As part of the risk identification process, existing financial and non-financial controls as well as due diligence processes in place should be identified together with its control owner (person responsible to monitor the controls to ensure its effectiveness and compliance).

Financial and non-financial controls as well as due diligence processes are the policies, standards, procedures and physical changes to minimize adverse risks or to maximize opportunity(ies). The financial and non-financial controls as well as due diligence processes relating to the identified risks can be categorized as follows:

Preventive : Financial and non-financial controls as well as due diligence processes financial and non-financial controls as well as due diligence processes to prevent the risk from occurring.



- Detective : There are two aspects to detective financial and non-financial controls as well as due diligence processes: -
- To identify impending risks which are about to take place thereby enabling awareness of risks.
  - To identify unfortunate events as soon as possible to prevent further deterioration. This reduces impact.
- Corrective : After the risks have taken place, the financial and non-financial controls as well as due diligence processes to minimize losses and to enable recovery to take place promptly.

Once all the relevant financial and non-financial controls as well as due diligence processes for a particular risk have been identified, the risk shall be rated **at Residual level**, take into consideration of the adequacy and effectiveness of the controls put in place, in terms of possibility of the risk occurring and its impact when it occurs after taking into consideration existing financial and non-financial controls as well as due diligence processes using the same rating tables in Section 1.1 above.

The adequacy and effectiveness of the financial and non-financial controls as well as due diligence processes can be assessed in accordance with the following criteria:

- i. Reduce the possibility of risk occurring; and
- ii. Reduce the impact on the Group after the risk has occurred.

Rating Category	Criteria
4	<b>High – Adequate &amp; Effective</b> <ul style="list-style-type: none"> <li>Controls are operating adequately &amp; effectively and in accordance with management's control objectives for the area under review</li> <li>Controls are operating at its optimum level, functioning as intended and limited opportunity for further improvement exists in the form of long term action plan.</li> <li>Presence of all controls and no control weaknesses were noted.</li> <li>No incidence of non-compliance/control lapses.</li> <li>Good compliance culture and control environment.</li> </ul>
3	<b>Moderate - Improvement opportunity available for Adequacy &amp; Effectiveness</b> <ul style="list-style-type: none"> <li>Few risks/controls require further improvement in order for the overall control mechanism to operate effectively.</li> <li>Presence of all key controls / No key controls weaknesses were noted.</li> <li>Absence of very limited less significant controls due to cost/benefit trade-off/Less significant control weaknesses are noted in a number of control components with compensating controls exist.</li> <li>Opportunity for further improvement exists in the form of long term action plan.</li> <li>No incidences of non-compliance/control lapses of critical control point or few incidences of non-compliance/control lapses of non-critical control point.</li> <li>Satisfactory compliance culture and control environment</li> </ul>
2	<b>Low - Unsatisfactorily Controlled - Significant improvement opportunity</b> <ul style="list-style-type: none"> <li>Controls are not operating satisfactorily and effectively in accordance to its control objectives.</li> <li>Absence or very limited key controls/Key controls weaknesses are noted in a number of control components.</li> <li>Less significant control weaknesses exist over the entire control environment</li> <li>Certain compensating controls exist where control weaknesses were noted.</li> <li>Few incidences of non-compliance/control lapses of critical control point or frequent occurrence of non-compliance/control lapses of non critical control point requiring short term Senior Management's attention.</li> <li>Unsatisfactory compliance culture and control environment.</li> </ul>
1	<b>Very Low - Poorly Controlled</b> <ul style="list-style-type: none"> <li>An effective control structure and mechanism had not been established.</li> <li>Significant weaknesses in controls have been noted across the control environment including a lack of both basic and compensating controls.</li> <li>High to very high frequency of non-compliance/control lapses requiring immediate Senior Management's attention.</li> <li>Weak compliance culture and control environment.</li> </ul>

It is important that only existing financial and non-financial controls as well as due diligence processes are being considered during the determination of control effectiveness. Financial and non-financial controls as well as due diligence processes which are currently not in place should not be considered to arrive at the residual level rating as these controls are management action plans which the management of the Group will put in place in a future date to manage or mitigate the risk.

Consequently, the rated risk will be mapped in the residual Risk Heat Map as illustrated below:

Impact	Likelihood				
	Seldom	Unlikely	Moderate	Likely	Highly Likely
Catastrophic					
Major					
Moderate					
Minor					
Insignificant					

#### **C.4. Risk Treatment Process**

The Residual Risk Heat Map will enable the risk owners, RSMWG and ABC Compliance Unit to identify and evaluate whether the residual risks are acceptable in the context of the ABCM. The objective is not to eliminate all residual risks but rather to ensure that the residual risk is maintained at an acceptable level in a cost effective and efficient manner.

It also allows the risk owners, RSMWG and ABC Compliance Unit to make conscious and visible risk management decisions. The options available to the management in addressing the residual risks, which is at an unacceptable level after a risk assessment is completed, are as follows:

- a) **Avoid** the risk by ceasing to undertake the process or business activity altogether. Normally, this route is chosen when the risk could have a catastrophic impact on the business and where the costs of pursuing other choices significantly outweigh the potential benefits; or

- b) **Reduce** the risk by taking steps to minimize its impact and / or possibility of occurrence. This can be achieved by taking specific actions aimed at reducing the possibility of the risk occurring in the first place or reducing the impact that the risk might have on the business should it actually occur; or
- c) **Accept** the risk without any further action. Management may choose not to act and to consciously accept the risk as the risk is regarded insignificant to moderate risk in relation to the Group's risk appetite. However, management may want to consider the following factors before deciding to tolerate the risk.
  - i. The adequacy and effectiveness of the existing controls;
  - ii. The possibility and consequences of the risk occurring; and
  - iii. The cost of additional controls to be put in place.

However, whatever management decision is to address the unacceptable residual risk level, specific management action plan in the form of additional financial and non-financial controls as well as due diligence processes need to be formulated, documented and monitored for its implementation to ensure that the identified unacceptable risk is addressed.

## **C.5. Continuous Monitoring, Management And Update**

### **i. Monitoring**

- **Risk Owners of the Company and Individual Subsidiaries**

Risks and the effectiveness of control measures implemented need to be monitored on an ongoing basis to ensure changing circumstances do not alter the residual risk of the specific risk under his/her responsibilities. Therefore, for each risk under his/her duties, the risk owners are responsible to ensure compliance to existing system of internal controls and take appropriate actions, where necessary, to manage the risks under their care.

In addition, it is important for the risk owners to compile the Risk Register for new or emerging risks that is material by using the prescribed form per Appendix A and to submit such completed form to the RSMWG and ABC Compliance Unit in a timely manner for their review for its adequacy and effectiveness of the treatment plans formulated and implemented. It is important for the risk owners to implement additional mitigation plan(s) proposed by the RSMWG and ABC Compliance Unit to address inadequacy.

- **ABC Compliance Unit**

Review is an integral part of the risk management policy and process. The ABC Compliance Unit, with the assistance of RSMWG, will conduct ongoing review to ensure that the management action plan remains relevant and implemented in a timely manner. Factors, which may affect the possibility and consequences of an outcome, may change, as may the factors which affect the suitability or cost of the various treatment options. It is therefore necessary for the ABC Compliance Unit to update Risk Registers to reflect the current state of affairs of the Group as well as internal and external business context. The Internal Audit reports can also be used as a source of information by the ABC Compliance Unit to update the Risk Registers. ABC Compliance Unit to compile the Bribery and Corruption Risk Report of the Group based on the updated Risk Registers and to table to the AC for review.

- **Audit Committee**

The Audit Committee will direct the internal audit activities and review the internal audits' findings. Areas where risk is inadequately addressed, internal controls can be improved or where there is lack of compliance is communicated to the ABC Compliance Unit and Top Management for formulation and implementation of action plan.

Audit Committee is required to review and monitor the implementation of Group's ABCM (including policies and processes) approved to ensure that they are adequate, effective and efficient in managing the Group's bribery and corruption risks. A copy of the internal audit reports to be forwarded by the internal audit function to AC for their review and to assess material business risks are appropriately attended to and addressed.

Audit Committee is to review the reports on the performance on the compliance of ABCM, incident reported under ABCM Incident Reporting Channel and incidents management by ABC Compliance Unit on half yearly basis or as and when required for high risk stakeholders.

- **The Board**

The Board will review the Bribery and Corruption Risk Report compiled by the ABC Compliance Unit and reviewed by Audit Committee and any additions and changes made to the Risk Registers annually (or on more frequent basis if circumstances require so) as reported by the Audit Committee after their review of Bribery and Corruption presented by the ABC Compliance Unit to ensure acceptability of the residual risks.

The Board is ultimately responsible for the Group's ABCM and approving the appropriate ABC policy.

## **PART D: ABC POLICY**

### **D.1. Gift**

- The Group has adopted a "No Gift" policy whereby, subject only to certain narrow exceptions, all Officers, Employees, Business Associates acting for or on behalf of the Group or Persons Connected with such Officers, Employees or Business Associates acting for or on behalf of the Group are prohibited from directly or indirectly receiving or providing gifts.
- It is the responsibility of the Officers, Employees and Business Associates acting for or on behalf of the Group to inform all parties involved in any business dealings with the Group that the Group practices "No gift Policy" and to request the external party's understanding for and adherence with this policy.
- There are certain types of gifts which are never permissible and the Officers, Employees, Business Associates acting for or on behalf of the Group should immediately refuse if it involves the below (including but not limited to):
  - Any gifts of cash or cash equivalent (except for red/green packet for wedding or birth of child as a sign of blessing or money donation as a token of condolences at funeral at an amount that is not excessive per RM1000.00 below in accordance to the tradition or custom practices of such country). Cash equivalent could be in the form of Vouchers, discounts, coupons etc.
  - Receive or provide gift in High Risk Country.
  - Any gift that would be illegal or in breach of local or foreign bribery and corruptions laws.



- Any gift which is lavish or excessive e.g. valued above the maximum threshold of RM 200.00 receiving or RM 500.00 providing or equivalent permitted by the Group or may adversely affect the reputation of the Group.
- Any gift which is given in conflict of interest situation (e.g. bidding is in progress and the company that give the gift is one of the bidders).
- Any gift that comes with a direct / or indirect suggestion, hint, understanding or implication that in return for the gift some expected or desirable outcome is required.

**D.1. 1. Receiving Gifts**

- The Company is very much aware that the exchange of gifts can be very delicate matter, where in certain cultures gift giving is part of business etiquette.
- Even if it may appear disrespectful to refuse a gift from an external party, in this situation the gift must be politely returned with a note of explanation about the Group's "No Gift" policy.
- Although the general principles is to immediately refuse or return such gifts, accepting a gift on behalf of Company's is allowed only in very limited circumstances whereby refusing the gift is likely to seriously offend and may sever the Group' business relationship with the external parties.

- In these limited circumstances, relevant Officers, Employees and Business Associates acting for or on behalf of the Group are required to immediately or in any event not more than five (5) working days from receiving the gift to record the gift in the **Gift/Entertainment/Corporate Hospitality Declaration Form** and submit to the Head of Departments and Top Management who will then decide whether to approve the acceptance of the gift or require it to be returned.
- In the event the Head of department and member of Top Management approve the acceptance of the gift, they must also determine the treatment of the gift whether to:
  - a) Donate the gift to charity; or
  - b) Hold it for departmental display; or
  - c) Share the gift with other Officers, Employees or Business Associates acting for or on behalf of the Group; or
  - d) Permit it to be retained by the Officers, Employees or Business Associates acting for or on behalf of the Group.
  - e) Transfer to Company's ownership
  - f) Return to offeror
  - g) Dispose in accordance with laws and regulations

In determining the above, Heads of Department and Top Management are expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the amount of the gift (which shall not be more than RM 200.00), character of the gift, its purpose, the position/ seniority of the person(s) receive the gift (personnel with authority to approve contract or payment shall be restricted to receive gift), the frequency (not more than 2 times per month), the business context, reciprocity, applicable laws and cultural norms.

A copy of the completed **Gift/Entertainment/Corporate Hospitality/Declaration Form** shall be forwarded to Human Resource Department and the Human Resource Department shall prepare quarterly summary of the **Gift/Entertainment/Corporate Hospitality/Declaration Form** duly completed and submitted to ABC Compliance Unit for review and report to governance body.

#### **D.1. 2. Providing Gifts**

- Generally, all Officers, Employees, Business Associates acting for or on behalf of the Group are not allowed to provide gifts to third parties with exception of Top Management's approval.
- The limit and the threshold set are referring to Appendix D.
- Summary of "Petty Cash Claim Form" will be prepared and presented by Account Department to ABC Compliance Unit quarterly.

**D.1. 3. Exceptions to the "No Gift" Policy**

- Although generally the Group practices a "No Gift" Policy, there are certain exceptions to general rule whereby the receiving and provisions of gifts are permitted in the following situations, subject to approval by Top Management: -
  - a) 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 gifts is treated as Company property);
  - b) Gifts from the Group 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);
  - c) Gifts from the Group to Officers, Employees, Business Associates acting for or on behalf of the Group in relation to an internal or externally recognized Company function, event and celebration (e.g. in recognition of an Officer's or Employee's service to the Company);
  - d) Token gifts (RM200 or below) of nominal value normally bearing the official logo (e.g. t-shirts, pens, diaries, calendars and other small promotional items) of the Group or the giver (as the case maybe) that are given out to all participants, delegates, customers, partners and key stakeholders attending official events organized or attended by the Group and for the Group's or the giver's brand building or promotional activities; and

- e) Gifts to external parties (mainly for monetary gifts or gifts in-kind to charitable organizations) who have no business dealings with the Group.

## **D.2. Entertainment and Corporate Hospitality**

### **D.2.1. Providing Entertainment and Corporate Hospitality**

- The Group recognizes that providing modest entertainment and corporate hospitality is a legitimate way of business relationship as part of business networking and to foster good business relationship with Business Associates.
- Only eligible Officers, Employees and Business Associates acting for or on behalf of the Group as approved by Top Management are allowed to entertain Business Associates through a reasonable act of hospitality.
- All Officers, Employees and Business Associates acting for or on behalf of the Group are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefits/results or result in conflict of interest situation.
- Certain types of entertainment and corporate hospitality activities which are never permissible and all Officers, Employees and Business Associates acting for or on behalf of the Group should immediately refuse it if involves the following:
  - a) Any entertainment and corporate hospitality that comes with a direct / indirect suggestion, hint, understanding or implication that in return for the entertainment provided some expected or desirable outcome is required.

- b) Any entertainment and corporate hospitality activities that would be illegal or in breach of local or foreign bribery laws.
- c) Any entertainment and corporate hospitality in High Risk Country.
- d) Any entertainment and corporate hospitality activities that involve public officials shall require the prior approval of the Head of Department and the Top Management.
- e) Any other entertainment and corporate hospitality activities (not involving public officials) that would be perceived as extravagant lavish, and excessive or may adversely affect the reputation of Company's.
- f) Any entertainment and corporate hospitality activity that is sexually oriented or may otherwise tarnish that reputation of the Group.

All entertainment and corporate hospitality claims by all Officers and Employees shall be subject to the payment procedure and authority limit manual shall be subject to the payment procedure and authority limit manual implemented by the Finance Department, with the important details of the entertainment and corporate hospitality, name of the organization and representatives the entertainment is provided to, shall be recorded and posted accordingly in the accounting system for monitoring.

The Finance Department shall prepare quarterly listing of the entertainment and corporate hospitality provided by the Group during the month and submitted to ABC Compliance Unit for review and report to governance body.

**D.2.2. Receiving Entertainment and Corporate Hospitality**

- The Group recognizes that the occasional acceptance of a reasonable and modest level of entertainment and corporate hospitality provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.
- Only eligible Officers, Employees and Business Associates acting for or on behalf of the Group as approved by Top Management are allowed to receive entertain and corporate hospitality from third party.
- All Officers, Employees and Business Associates acting for or on behalf of the Group are strictly prohibited from receiving or attempt to receive entertainment and corporate hospitality with a view to improperly cause undue influence on any party in exchange for some future benefits/results or result in conflict of interest situation.
- Certain types of entertainment and corporate hospitality activities which are never permissible. and All Officers, Employees and Business Associates acting for or on behalf of the Group should immediately refuse to accept if it involves the following:
  - a) Any entertainment and corporate hospitality that comes with a direct / indirect suggestion, hint, understanding or implication that in return for the entertainment provided some expected or desirable outcome is required.
  - b) Any entertainment and corporate hospitality activities that would be illegal or in breach of local or foreign bribery laws.
  - c) Any entertainment and corporate hospitality in High Risk Country.

- d) Any entertainment and corporate hospitality activities that would be perceived as extravagant lavish, and excessive or may adversely affect the reputation of the Group. The limit for entertainment and corporate hospitality is restricted to maximum RM100.00 or equivalent per headcount per event. Any amount exceeds this threshold required prior approval from the Head of Department and Top Management's before proceed, subject to maximum of RM500.00 or RM equivalent.
  - e) Any entertainment and corporate hospitality activity that is sexually oriented or may otherwise tarnish that reputation of the Group.
- For any entertainment and corporate hospitality activities that required prior approval from the Head of Department and Top Management, relevant Officers, Employees and Business Associates acting for or on behalf of the Group are required to record the intended entertainment with the estimated value of entertainment in the **Gift/Entertainment/Corporate Hospitality/Declaration Form** and submit to the Head of Departments and Top Management who will then decide whether to approve the acceptance of the entertainment and corporate hospitality. If the decision of the Head of Departments and Top Management is not to receive the entertainment and corporate hospitality provided by third party, relevant Officers, Employees and Business Associates acting for or on behalf of the Group shall be prohibited to receive such entertainment and corporate hospitality.



- For any entertainment and corporate hospitality activities that are not required prior approval from the Head of Department and Top Management, relevant Officers, Employees and Business Associates acting for or on behalf of the Group are required to record the entertainment and corporate hospitality in the **Gift/Entertainment/Corporate Hospitality/Declaration Form** within five (5) business days from the date of entertainment and corporate hospitality received. Any entertainment received not reported via **Gift/Entertainment/Corporate Hospitality/Declaration Form** shall be a violation of the ABC Policy and Procedures and subject to disciplinary actions.

A copy of the completed **Gift/Entertainment/Corporate Hospitality/Declaration Form** shall be forwarded to Human Resource Department and the Human Resource Department shall prepare quarterly summary of the **Gift/Entertainment/ Corporate Hospitality/Declaration Form** duly completed during the month and submitted to ABC Compliance Unit for review and report to governance body.

### **D.3. Corporate Social Responsibility ("CSR"), Donation and Sponsorship**

As part of the Group's commitment to corporate social responsibility and sustainable development, the Group provides such assistance in an appropriate circumstances and manner. All charitable donations, contributions and sponsorship provided by the Group must be compatible with the Group's business activities and reflect the Group to operate in an ethical manner.

CSR programme, donations or sponsorship shall only be made to a properly established and legitimate charity or organization where:

- There is a valid and legit charitable cause and purpose for the CSR programme, donation and sponsorship and the CSR programme, donation or sponsorship is not prohibited by local law and regulations;
- Appropriate due diligence is conducted by using CTOS and MACC internet background check to which CSR programme, donation & sponsorship is given.
- The CSR programme, donation and sponsorship is not made to secure an improper business advantage;
- The CSR programme, donation and sponsorship are not used as a conduit or circumvention for bribery and corruption as well as money laundering; and
- The transaction is properly recorded as a 'donation' or 'sponsorship' in accounting records with details of organization the donation or sponsorship is contributed.

The limit and the threshold set shall be referred to Appendix D.

The Group prohibits all Officers, Employees and Business Associates acting for or on behalf of the Group to make any direct or indirect political donations to political parties, organizations or individuals engaged in politics and the Group is not and will not affiliated with any political party, independent candidate or with any other organization whose activities are primarily political.

All CSR programme, donations or sponsorship required prior approval from the Head of Department and Top Management with sufficient details and supporting documents and duly completed checklist to be provided.

All CSR programme expenses, donations or sponsorship by all Officers and Employees shall be subject to the payment procedure and authority limit manual implemented by the Finance Department, with the important details of the type of CSR programme expenses, donations or sponsorship and name of the organisation is made to, shall be recorded and posted accordingly in the accounting system for monitoring.

The Finance Department shall prepare quarterly listing of the CSR programme expenses, donations or sponsorship made by the Group during the month and submitted to ABC Compliance Unit for review and report to governance body.

#### **D.4. Tradition or Customary Practices**

Unless prohibited by relevant local or foreign bribery and corruption laws and subject to the approval from the Executive Director, only the followings can be provided by the Group or received by the Group, Officers and Employees in relation to the tradition or customary practices within such country and in order to foster cordial working relationship with Third Party:

- Gift during festivities or red/green packet for wedding or birth of child as a sign of blessing or money donation as a token of condolences at funeral at an amount that is not more than RM1000.00 and

- Contribution to the corporate event or official function (such as, annual dinner or family day event) at an amount that is not more than RM1000.00.
- Business Associates acting for or on behalf of the Group shall implement similar measures as above when performing their work or services for and on-behalf of the Group.

#### **D.4.1. Token of Blessing or Condolences and Contribution Given and Received by the Group**

- All token of blessing or condolences given, and contribution made by the Group for the corporate event or official function of the Third Party shall require the approval of the Executive Director in accordance with standard operating procedure.
- All token of blessing or condolences received, and contribution received by the Group for the corporate event or official function of the Group shall require approval by Executive Director by using Gift/Entertainment/Corporate Hospitality Form.
- All payment and receipt by the Group in relation to token of blessing or condolences and contribution to the corporate event or official function submitted by Officers and Employees shall be subject to the standard operating procedure on payment and claim as well as receipt as well as relevant approval requirement(s), with the important details of the giving and contribution, name of the organization and designation of representatives the token of blessing or condolences is given or received, shall be recorded for monitoring.

The Finance Department shall prepare listing of the token of blessing or condolences and contribution made by and received by the Group and submitted to ABC Compliance Unit for review and report to the Board on half yearly basis.

#### **D.5. Facilitation Payment**

All Officers, Employees and Business Associates acting for or on behalf of the Group must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment.

#### **D.6. Money Laundering**

All Officers, Employees and Business Associates acting for or on behalf of the Group must not involve, directly or indirectly in any money laundering activities.

#### **D.7. Dealing with Public Officials and Political Exposed Person**

All Officers, Employees and Business Associates acting for or on behalf of the Group must not offer, promise, give anything which might reasonably be regarded gift, entertainment, corporate hospitality, CSR programme, donation, sponsorship to Public Officials or Political Exposed Person or Person Connected to them in High Risk Country.

All Officers, Employees and Business Associates acting for or on behalf of the Group must not offer, promise, give anything which might reasonably be regarded gift, entertainment, corporate hospitality, CSR programme, donation, sponsorship to Public Officials or Political Exposed Person or Person Connected to them in country other than High Risk Country unless it is permissible under the applicable laws and regulations and prior approvals are obtained from Head of Department and Top Management and subject to maximum threshold applied, i.e. RM 500 or RM equivalent.

**D.8. Lobbying**

All Officers, Employees and Business Associates acting for or on behalf of the Group must not participate in any lobbying activities and must not offer, promise, give anything which might reasonably be regarded lobbying fees.

## **PART E: CONFLICT OF INTEREST**

A conflict of interest arises in any situation in which an individual is in a position to take advantage of his or her role at the Group for his or her personal benefit, including the benefit of his or her family and friends. A conflict of interest can make it difficult for an individual to fulfil his or her duties impartially and correctly. A conflict of interest can exist even if it results in no unethical or improper acts. Even the appearance of improper influence in decision-making may be an issue. A conflict of interest will undermine the values of good faith, fidelity, diligence and integrity in the performance of duties and obligations as expected.

All Officers, Employees and Business Associates acting for or on behalf of the Group must avoid situations in which personal interest could conflict with their professional obligations or duties and must not use their position and authorities, the Group's resources and assets, or information available to them for personal gain or for the benefit of the person connected to such person (including their friends) or to the Group's disadvantage.

All Officers, Employees and Business Associates acting for or on behalf of the Group shall comply with the **Code of Conduct** of the Group approved by the Board of Directors of the Company and subject to the **Related Party Policy** of the Group established by the Board.

Apart from the compliance of the **Related Party Policy** of the Group, all Officers, Employees and Business Associates acting for or on behalf of the Group shall declare their interests and relationship via **Declaration of Interests and Relationship Checklist** to the Human Resource Department (for Officers and Employees) and respective departments (for Business Associates acting for or on behalf of the Group):

1. before business relationship is established;
2. on annual basis, within one (1) month from 31 December of preceding calendar year; and
3. at any other time, if they become aware of an actual conflict of interest, potential conflict of interest or perceived conflict of interest.

Actual conflict of interest is when real and existing conflict of interest present.

A potential conflict of interest is when the Officers, Employees and Business Associates acting for or on behalf of the Group are in or could be in a situation that may result in a conflict, but this has not fully materialized.

A perceived conflict of interest is when the Officers, Employees and Business Associates acting for or on behalf of the Group are in or could be in a situation that may appear to be a conflict, even if this is not the case.



If the Officers, Employees and Business Associates acting for or on behalf of the Group are unsure whether they have either an actual, potential or perceived conflict of interest, they should consult ABC Compliance Unit for advice

Alternatively, if in doubt, the Officers, Employees and Business Associates acting for or on behalf of the Group are advised to make a declaration to the Human Resource Department (for Officers and Employees) and respective departments (for Business Associates acting for or on behalf of the Group).

Any Officers, Employees and Business Associates acting for or on behalf of the Group fail to comply with the requirements under this Part, shall be a violation of this Framework and such non-compliance shall deal with in accordance with **Part L – Dealing With Non-Compliance**.

**PART F: DEALING WITH BUSINESS ASSOCIATES**

The Group dealings with Business Associates must be carried out in compliance with all relevant laws and consistent with the values and principles of this ABC Framework. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

It is the expectation of the Group that all Business Associates share the Group's values and ethical standards of the Group. Therefore, when the Group engages Business Associates, it is the mandatory requirement that appropriate Business Associate due diligence is carried out to understand the business and background of the prospective Business Associates before entering into any arrangements with them to ensure that the Group is dealing with Business Associates that subscribe to acceptable standard of integrity in the conduct of their business. Subsequent to the appointment, the Group is to continue monitor of the compliance of standard of integrity by the Business Associates expected of them by the Group.

All Business Associates are subject to the following Business Associate Anti-Bribery Risk Management process:

1. **Identification of the scope and business universe** of the Group's Business Universe and to obtain a high-level view of the risk profile of its Business Associates' population via basic information gathering on all its third parties. Information to be gathered include but not limited to, the country in which the Business Associates is based and where the services are performed, the industry the Business Associates are based, the relationship and association of the Business Associate with the government entities or Public Officials or Political Exposed Person, the volume of business with Business Associates and the nature of the work the Business Associates performs, etc.
2. **Business Associate Risk Assessment** to be performed to identify, segment, mitigate and monitor the risks and risk factors attached to different types of Business Associates and use this information to design the criteria used in due diligence and to design and/or improve the overall anti-bribery programme.

Key risk factors include but not limited to, geographical location, industry, background of Business Associates, connection with government entities or Public Officials or Political Exposed Person, compensation structure of the proposed arrangement, additional factors related to the scope of the services to be rendered, selection of the third party, ABC measures put in place by Business Associate, etc.

Risk profile of Business Associate type by country to be compiled for overall risk profiling of Business Associate population. Thereafter, individual Business Associates are to be assigned for its individual risk profile as "Low", "Medium" and "High".

With all individual Business Associates are allocated with the its risk profile, management responses are to be developed to manage Business Associates with more than low corruption risk, such as, enhanced due diligence process, engagement with a view to emphasize on critical corruption factors, introducing enhanced cross-functional monitoring of certain types of high risk Business Associates, seeking alternative low risk Business Associates for replacement, etc.

3. **Registration** is to identify and record basic and important information on those who have or might have a relationship with the Group via **Supplier Evaluation Form** (For suppliers, vendors, contractors, subcontractors, agent and service providers), Customer Application Form (For wholesaler, distributor and retailer) and Other Business Associate/Organization Registration Form (for other Business Associates). Supporting documents, such as, statutory registration information, corporate profile, latest audited financial statements, directors and key management personal details, authorization for credit information search, etc. should be obtained. All Business Associates are subject to registration.
4. **Due Diligence** is to be performed by responsible Department with the information collected in the previous process for all Business Associates in the following manner:

<b>Type of Due Diligence</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
a) Internet check	Yes	Yes	Yes
b) Due Diligence Research	Yes	Yes	Yes
c) Review of Business Associates' documentation and operations	Yes	Yes	Yes
d) In-house evaluation	Yes	Yes	Yes
e) Resolution for "Red Flag"	Yes	Yes	Yes
f) Report and approval to proceed to contract	Decision by Top Management	Decision by Top Management	Decision by Top Management

"Public Officials & Non-Public Organization" limit and the threshold set referring to respective department authorization matrix Appendix D.

Further detailed information and supporting documents shall be obtained from the Business Associates shall the information and supporting documents collected in the previous process are not sufficient to derive reasonable conclusion.

Retrospective due diligence based on the risk profile assigned to each existing Business Associates shall be conducted for existing Business Associates whom no due diligence was performed previously within one (1) year from the effective date of this framework.

5. Due diligence check for existing Business Associates shall be carried up within 1 year from the effective date of this framework base on their risk profile.
6. Business Associate Anti-Bribery and Corruption ("ABC") Commitment and Declaration Form shall be used to communicate with new and existing Business Associate. Their acknowledgement is required to ensure their understanding and acceptance of the Company's ABC Policy and Procedure and commitment in preventing the occurrence of bribery and corruption.
7. If Company did not receive any duly acknowledged ABC Commitment Form from the Business Associates, ABC Policy and Procedure which publish in their corporate website shall be downloaded and documented as a proof of their awareness of the required ABC commitment and compliances or upon Top Management concession.
8. The Group had established **Advice and Speak-Up Channel** for all Business Associates.  
Please refer to the **Part H: Advice and Speak-Up Channel** for consultation channel and reporting of bribery and Corruption incidents.
9. Continuous Monitoring provide the reasonable assurance that the bribery and corruption risks in relation to the Business Associates are adequately managed and are not increase over times. The measures also act as a deterrent to Business Associates and to employees contemplating bribery as well as are a way to bring to light suspicions or incidents of bribery.

Duties and responsibilities to monitor the performance of Business Associates in relation to ABC are as follows:

Action	Low	Medium	High
Business Associate Management	<ul style="list-style-type: none"> <li>Responsibilities are assigned for overseeing and managing Business Associates by Business Associate types by dedicated departmental personnel</li> </ul>		Head of Department is assigned to monitor and manage
	<ul style="list-style-type: none"> <li>Level of engagement is increased where issues are detected or suspected</li> </ul>		

9.1 **Business Associate Audit** is designed to verify the information and supporting documents provided for establishing and continuing the business relationship and seek to identify weaknesses and non-compliance of ABCM by the auditees (i.e. the Business Associates) as well as suspected or actual bribery and corruption incidents and its resolution.

The Business Associate Audits are to be carried out by the responsible Head of Department (or other department not involved in the functions to be audited) or outsourced to external professional audit team at scheduled interval reviewed by the ABC Compliance Unit and approved by the governance body.

<b>Action</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
Business Associate Audit	Audits are conducted according to a sample size and statistical sampling by Procurement Department and reviewed/approved by ABC Compliance Unit		Once every three (3) years



**PART G: DEALING WITH OFFICERS AND EMPLOYEES**

The Group provides equal opportunity for any qualified and competent individual to be employed by the company from various multicultural and multiracial background, sourced from externally and locally.

While the selection of the competent and appropriate individual as Officer or Employee to perform the functions as well as assume the duties and responsibilities of the position to be filled is important, the impacts of potential bribery and corruption risks arising from such activity and continuous employment are not overlooked.

All Officers and Employees are subject to the following Anti-Bribery Risk Management process:

1. **Recruitment and screening process** involved identification, provision and collection of basic and important information on the candidate who intend to establish relationship with the Group via **Job Application Form** and supporting documents, such as, identity registration documentation, employment history and evidence, education record, professional membership/certificate, details and occupation of family members, and to contact referees provided.
2. **Due Diligence** is to be performed by Human Resources ("HR") Department with the information collected in the previous process for all candidates for Officer and Employee in the following manner.

<b>Type of Due Diligence</b>	<b>Non-Managerial</b>	<b>Managerial Level &amp; Above</b>
a) Interview	Yes	Yes
b) Review of Employment Application Form and supporting documentations	Yes	Yes
c) Declaration of Interests and Relationship	No (except for Executive level and above)	Yes
d) Report and approval to proceed to employ	Decision by Head of Department & COO	Decision by Head of Department, COO and Executive Director
e) CTOS and MACC internet background search	No (except for Sales & Marketing and Procurement Personnel)	Yes

2.1 Retrospective due diligence based on the risk profile assigned to each existing officers and employees shall be conducted for existing officers and employees whom no due diligence was performed previously within one (1) year from the effective date of this framework.

Briefing of ABC Commitment, ABC Policy and ABCM of the Group to the candidate during interview shall be performed by the HR Department.

3. Contract with all Officer and Employees shall explicitly include the Group's expectations on anti-bribery, corruption and ethical behavior, establishes rights and specifies anti-bribery and corruption requirements and processes for continuous commitment, monitoring, termination and exit, among other salient terms.

The Contract shall include, amongst others,

- a) Requirement that all Officers and Employees to comply with ABC commitment, ABC Policy and ABCM of the Group and such Officers and Employees shall be subject to strict disciplinary action and termination of contract in the event of non-compliance;  
All Officers and Employees shall acknowledge the ABC Commitment Form.
- b) The Officers and Employees shall not be subject to retaliation, discrimination or disciplinary actions for refusing to participate, or for turning down, any activity in respect of which they have reasonably judged there to be a more than low risk of bribery which had not been mitigated by the Group or for concerns raised or reports made in good faith or on the basis of a reasonable belief, of attempted, actual or suspected bribery or violation of the ABC commitment, ABC Policy and ABCM of the Group (except where the individual participated in the violation).

The Group should decline to employ or terminate the contract for any Officer and Employee that is not willing to enter contract with anti-bribery and corruption contractual provisions and to declare annual commitment with ABC commitment, ABC Policy and ABCM of the Group.

4. The core purpose of Communications and Training is to communicate clearly and accessible to all Officers and Employees the importance it attaches to countering bribery and corruption, the ABC Commitment, ABC Policy and ABCM of the Group, the ways it expects all Officers and Employees to act and how to recognize and deal with particular bribery and corruption risks, the Officers and Employees' roles and responsibilities in ABC, the implication and consequences of non-compliance with ABC Commitment, ABC Policy and ABCM of the Group.

<b>Action</b>	<b>Non-Managerial</b>	<b>Managerial Level &amp; Above</b>
a) Training on ABC	Upon appointment, training to be conducted for this policy.	
b) Refresher Training	At least once every three (3) years	At least once every one (1) year
c) 'Continuous Awareness	Yes, notice of ABC Commitment and ABC Policy in strategic locations	
d) Frequency of commitment to comply with anti-corruption laws and ABC Commitment, ABC Policy or ABCM	Upon appointment and once every three (3) years	Upon appointment and every one (1) year

5. The Group had established Advice and Speak-Up Channel for all Officers, Employees and Business Associates.

Please refer to the **Part H: Advice and Speak-Up Channel** for consultation channel and reporting of bribery and Corruption incidents.

6. **Continuous Monitoring** provide the reasonable assurance that the bribery and corruption risks in relation to the Officers and Employees are adequately managed and are not increase over times. The HR Department, with the assistance of Head of Departments, is required to perform annual performance appraisal for all Officers and Employees and shall include the following as part of the annual performance appraisal:

6.1. **Annual update of personal information and declaration of interests and family relationship** by all Officers and Employees.

6.2. **Review of performance bonuses, performance target and incentive system**

Performance bonuses, performance target and incentive system shall be subject to review by Top Management on annual basis before execution to ensure that such system shall not promote or encourage bribery and corruption activities.

Performance bonuses/incentives, increment of remuneration or improvement of staff benefits shall be subject to the followings:

Action	Non-Managerial	Managerial Level & Above
a) Performance bonuses/ incentives, increment of remuneration or improvement of staff benefits <b>in line</b> with HR Policy	Reviewed and approved by Head of Department	Reviewed and approved by COO and Executive Director
b) Performance bonuses/ incentives, increment of remuneration or improvement of staff benefits <b>not in line</b> with HR Policy	Reviewed and approved by COO and Executive Director	

## **PART H: ADVICE AND SPEAK-UP CHANNEL**

The Group had established **Advice and Speak-Up Channel** for all stakeholders.

### **H.1. Advice Channel**

Advice Channel provide information and answer queries about the anti-bribery programme and ABC Compliance Unit is responsible for the Advice Channel internally and externally.

### **H.2. Speak-Up Channels**

**Speak-Up Channels** for the ABCM consists of two independent channels:

- i. **ABCM's incident reporting channel** – Designated Compliance Officer is to perform investigation on incidents reported under the channel, to determine appropriate action to be taken on the results of the investigation and to report the progress of the investigations, the results of the investigation, whether adequate management action plans taken to rectify and resolve the incidents reported and to ensure that the identity of the informer is protected and such informer will be protected from reprisal, including any form of harassment and victimization, as a consequence of his genuine disclosure and comply with relevant laws and regulations in relation to protection of whistleblower. In the event that the Designated Compliance Officer is the alleged wrongdoer in relation to the incident to be reported, the informer can report genuine wrongdoings to another member of the ABC Compliant Unit.

The contact details of the members of the ABC Compliance Units are as follows:

**Designated Compliance Officer**

Name: Ms. Theresa Foo

Contact Number: 012-3998007

Email Address: theresa@ornapaper.com

**Member of ABC Compliance Unit**

1) Name: Mr. Ng Choon Huat

Contact Number: 012-3998686

Email Address: chng@ornapaper.com

2) Name: Ms. Tey Siew Eng

Contact Number: 012-3998003

Email Address: tey@ornapaper.com

3) Name: Ms. Tan Hwey Lin

Contact Number: 012-6815696

Email Address: hltan@ornapaper.com

4) Name: Ms. Christine Lee

Contact Number: 012-3993006

Email Address: christinelee@ornapaper.com

5) Name: Ms. Christina Chiang

Contact Number: 016-6186559

Email Address: christina@ornapaper.com



- ii. **Whistleblowing Channel** – if for any reason the stakeholder is reluctant to do so or the designated Compliance Officer or both the members of the ABC are involved in the roles or functions being reported, then the stakeholder should report the incidents directly to the Audit Committee Chairman via the Whistleblowing Policy whereby the confidentiality of the whistleblower is to be preserved and such informer will be protected from reprisal, including any form of harassment and victimization, as a consequence of his genuine disclosure and comply with relevant laws and regulations. Please refer to Whistleblowing Policy as published in the Group's corporate website.

**PART I: REVIEW, EVALUATION AND CONTINUOUS IMPROVEMENT**

**Review, evaluation and continuous improvement** aims at review the effectiveness of the ABCM in managing bribery and corruption risk for corrective actions and management responses to enhance its current management and for continual improvement initiatives.

At schedule intervals, the ABC Compliance Unit shall compile and report to Top Management and the governance body on the followings:

1. Compliance of ABC Commitment, Policy and Procedures by all Officers, Employees and Business Associates;
2. Non-compliance of Officer, Employees and Business Associate on-boarding procedures;
3. Identification of transactions, Employees and Business Associate with more than low bribery and corruption risk (with justification of its acceptance) and mitigation implemented and to be implemented;
4. Non-compliance of risk assessment and internal control procedures;
5. Incidents reported and its resolutions and responses;
6. Incidents reported via ABCM's incident reporting channel and its resolutions and responses;
7. Results of continuous monitoring, summary of results of monitoring, its findings and weaknesses, its mitigation plans and recommendation for continuous improvement initiatives; and
8. The progress of mitigation plan and improvements to be made as presented in the previous reporting.

Top Management and the governance body of the Group shall, upon receipt of the above reports and information, together with the audit report from the internal auditor and the advice and recommendation from the ABC Compliance Unit, to review the relevance and adequacy of the ABC Commitment and ABC Policy as well as the adequacy and effectiveness of the ABCM and shall formulate mitigation plans and improvement programme based on the results of the review on annual basis.

**PART J: DOCUMENTED INFORMATION**

ABC Compliance Unit and all relevant divisions/departments must maintain written records evidencing that any risks identified have been carefully considered and mitigated as practicably as possible and that due diligence, controls, reporting, review and continuous improvement implemented in relation to the ABCM has taken place.

Records should be retained for a significant period of time in order to comply with the relevant laws currently in force as well as Group's policy/Standard Operating Procedures. In any event, ABC Compliance Unit and all relevant divisions / departments must retain for at least seven (7) years from the end of the financial year of the transactions, all policies and procedures, records, databases, work documents, other documents and transactions to enable the Group to comply with any requests from the relevant authorities and ABCM.

All records and documents on due diligence processes, business correspondences (including emails) and others documents must be kept by ABC Compliance Unit and relevant divisions/departments for at least seven (7) years after the relationship is terminated/exited/completed.

## **PART K: INTERNAL AUDIT**

The purpose and scope of work of the internal audit is to assist the ABC Compliance Unit, Top Management and the Audit Committee of the Group, through the execution of approved bribery risk-based internal audit plan, to determine whether the Group's governance, risk management and control processes in relation to bribery and corruption risks, as designed, represented and implemented by management, is adequate and effective in a manner to ensure bribery and corruption risk exposures are properly and adequately identified, assessed and managed in accordance with the relevant laws and regulations and ABCM.

The Internal Audit Function can be established in-house or outsourced to external professional firm. The terms and requirements as well as oversight of the Internal Audit Function shall be governed by the Internal Audit Charter of the Group (for in-house) or the Engagement Letter (external professional firm). The Internal Audit Function must observe the independence and objectivity in the performance of the audit and have the adequate required level of competency, resources and authority required to perform the internal audit effectively and efficiently and shall be able to obtain external professional's services at the cost of the Group in the performance of its work.

The Internal Audit Function shall be reporting directly to the Audit Committee with the Audit Committee to review the scope of coverage, internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations.

The internal audit shall be carried out at least once in a financial year and the internal audits performed can be on the adequacy and effectiveness of the ABCM, bribery and corruption specific objective or business process specific with bribery and corruption risk considerations.

The Internal Audit Function shall have the right to report any breach of applicable laws and regulations to relevant regulatory body which had not been satisfactorily resolved subsequent to its reporting to the Audit Committee.

**PART I: DEALING WITH NON-COMPLIANCE**

Any Officers, Employees and Business Associates found to be non-compliance with the policies, procedures and requirements of this Framework or non-compliance with relevant laws and regulations in relation to anti-bribery and corruption in any jurisdiction, shall be subject to the following actions as determined appropriate, judging from the seriousness of the offence or non-compliance as determined by the relevant authorized personnel:

1. Warning Letter/Show Cause Letter;
2. Suspension from works or contract;
3. Penalty and/or damages in relation to the non-compliance or offences;
4. Demotion after going through proper due enquiry or investigation process, as the case maybe;
5. Dismissal after going through proper due enquiry or investigation process, as the case maybe;
6. Termination of contract in accordance with the terms of the contract.

In addition, the Top Management and/or the Board of Directors shall:

1. Terminate and withdraw from the project, transaction or contract concerned if the non-compliance or offences not satisfactorily resolved, corrected and/ or addressed or may modify the Group's involvement in the project, transaction or contract if such non-compliance or offences satisfactorily resolved, corrected and/or addressed in part in the opinion of the Top Management and/or the Board of Directors;
2. Repay or reclaiming any improper benefit obtained or paid, as the case maybe;

3. As soon as practical, report to the relevant and competent authorities in relevant jurisdiction on the non-compliance or offences as required under relevant laws and regulations for such jurisdiction;
4. If bribery has occurred, taking action to avoid or deal with any possible consequent legal offences and be co-operative with the investigation carried out by relevant and competent authorities on the non-compliance or offences.



**PART M: TRAINING AND COMMUNICATION**

In order to equip the personnel performing ABC Compliance Unit's function and responsibilities with the comprehensive knowledge of the laws and regulations in relation to anti-bribery and corruption in relevant jurisdiction and adequate procedures for prevention of anti-bribery and corruption, the following trainings will be provided:

1. Upon appointment to the role of ABC Compliance Unit, comprehensive training on the laws and regulations in relation to anti-bribery and corruption in relevant jurisdiction and the adequate procedures for prevention of anti-bribery and corruption;
2. As and when there is changes in the laws and regulations and there is latest development on the adequate procedures on anti-bribery and corruption, training/seminar on the changes in the laws and regulations in relation to anti-bribery and corruption in relevant jurisdiction and the adequate procedures for prevention of anti-bribery and corruption and latest development on the adequate procedures; and
3. On or before third anniversary of the appointment to the role of ABC Compliance Unit and any subsequent third anniversary, one (1) comprehensive training on the laws and regulations in relation to anti-bribery and corruption in relevant jurisdiction and the adequate procedures for prevention of anti-bribery and corruption.

For Officers and Employees, training will be provided in the manners specified in **Part G – Dealing with Officers and Employees**.

The above ANTI BRIBERY AND CORRUPTION FRAMEWORK is approved and adopted by the Board of Directors of Ornapaper on 18<sup>th</sup> August 2023.

**ORNAPAPER BERHAD**  
**ANTI BRIBERY AND CORRUPTION FRAMEWORK**  
**Appendix A**









Version 3.0: 18<sup>th</sup> August 2023  
 Strictly Private & Confidential

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Risks Register		Function:		Risk Code:			
2	Nature of Risk:	Last Updated on:			Risk Rating	Gross	Nett
		Level	Weightage	Type of Risk	Likelihood		
					Impact		
	Description of Risk (If necessary)	Risk Source			Control Effectiveness		
		Risk Owner					
	Relevant Strategies	Relevant Business Objective(s)					
	Possible Root Causes	Relevant Stakeholder(s)					
	1.	Possible Consequences <span style="float: right;">+/-</span> • • • • •					
	2.						
	3.						
4.							
5.							
6.							
Existing Controls	Control Owners						
•	•						
•	•						
•	•						
•	•						
Action Plans	Control Owner			Completion Date			
•							
•							

- Requirement to have an anti-bribery policy
- Compliance with all relevant anti-bribery and corruption laws
- Commitment to ensure adequate anti-bribery programme equivalent to that of the Group (where the Group has influence)
- Commitment to take all reasonable measures to ensure that sub-tiers comply with anti-bribery and corruption laws
- Specification of who is responsible in the Business Associates for the anti-bribery programme
- Specific requirements for countering corruption risks such as facilitation payments or dealings with Public Officials or Political Exposed Person
- Right to be informed of use (and identity) of sub-contractors and the procedure to be followed
- Warranty that no Public Official or Political Exposed Person or a close relative of such person is associated with the Business Associate whether as an investor (including ultimate beneficial owner), officer, employee or shadow director
- Warranty that the Business Associate is not nor has not been the subject of an investigation, settlement or conviction for bribery or other form of corruption
- Explicit procedures for payment of fees and commissions: definition of the jurisdiction for payments, format and required supporting documentation (e.g. all payments to be made in the country of head office or operation and not to off-shore accounts, no cash payments of fees)
- Commitment to maintain accurate books and records available for inspection by the company or its representatives.
- Right to audit (tailor the clause to the nature of the relationship, level of risk and, if applicable, compliance with local laws)
- Immediate notification in writing of suspicion of or an incident of bribery
- Commitment to remediate breaches and weaknesses in the Business Associate's anti-bribery programme.
- Right to terminate in the event or evidenced suspicion of a significant incident of bribery or where there is evidence of several or repeated inadequacies in the Business Associate's anti-bribery programme
- Regular performance reviews related to the anti-bribery programme

## ABC Compliance Unit Signature Specimen

No	Name	Department	Position	Signature
1	Mr. Sai Han Siong	-	Top Management	
2	Mr. Lim Joo Song	-	Top Management	
3	Ms. Theresa Foo	Audit / ISO & QA	Designated Compliance Officer	
4	Mr. Ng Choon Huat	Sales & Marketing	Members of ABC Compliance Unit	
5	Ms. Tey Siew Eng	Procurement	Members of ABC Compliance Unit	
6	Ms. Tan Hwey Lin	Accounts & Finance	Members of ABC Compliance Unit	
7	Ms. Christine Lee	HR & Admin	Members of ABC Compliance Unit	
8	Ms. Christina Chiang	Audit / ISO & QA	Members of ABC Compliance Unit	

### Authorization Matrix

#### 1.00 Providing Gift, Entertainment and Corporate Hospitality

- 1.10 Generally, all employees from Ornapaper Industry (M) Sdn Bhd are not allowed to provide Gifts, Entertainment and Corporate Hospitality to customers.
- 1.20 Although generally the company practices a "ABC Policy". There are certain exceptions are permitted subject to approval by Top Management. (Authorization Matrix)
- 1.30 We recognizes that **providing** modest entertainment and corporate hospitality is a legitimate way of business relationship as part of business networking and foster good business relationship with public officials and non- public organization company.
- 1.40 The **Authorization Matrix** shall refer to below: -

Details	All Departments	Top Management
Entertainment	Max RM100.00 / Headcount	Max RM200.00 / Headcount
Corporate Hospitality	Max RM500.00 / Room / Day	Max RM1000.00 / Room / Day
Hamper	Max RM500.00 / Organization Not more than 2 times a year	Max RM1000.00 / Organization Not more than 2 times a year
Gift	Max RM300.00 / Organization Not more than 2 times a year	Max RM1000.00 / Organization Not more than 2 times a year
Others * Calendar, Pen & Diary * Sponsorship	Upon Top Management approval	

**2.00 Receiving Gift, Entertainment and Corporate Hospitality**

According to D.1 Gift and D.2.2. Receiving Entertainment and Corporate Hospitality, the summarized table is as below.

Details	Do not require Top Management approval	Require Top Management approval
Entertainment & Corporate Hospitality	Below RM100.00 / Headcount / Event	Above RM100.00 and below RM500.00 /Headcount / Event
Gift		Max RM200.00 / Organization Not more than 2 times per month
Others * Calendar, Pen & Diary * Sponsorship	Upon Top Management approval	

3.00 **Section 4, Paragraph D.3 - Providing Corporate Social Responsibility ("CSR"), Donation and Sponsorship**

According to D.3, the summarized table shall require Top Management approval is as below.

Details	All Departments	Top Management
Corporate Social Responsibility	Max RM2,000.00 / Organization Not more than 5 times a year	Max RM80,000.00 / Organization Not more than 5 times a year
Donation	Max RM2,000.00 / Organization Not more than 5 times a year	Max RM80,000.00 / Organization Not more than 5 times a year
Sponsorship	Shall be approved by the Top Management on case to case basis	

Should the amount exceed the maximum limit, the Top Management shall have the authority to approve the amount.

4.00 **Section 4, Paragraph D.4 - Tradition or Customary Practices**

According to D.4, the summarized table shall require Top Management approval is as below. Only the followings can be **provided** by the Group or **received** by the Group, Officers and Employees in relation to the tradition or customary practices within such country and in order to foster cordial working relationship with **Third Party**.

Details	Top Management
Gift during festivities or red/green packet for wedding/birth of child /token of condolences at funeral	Max RM1000.00
Contribution to corporate event/official function (such as, annual dinner or family day event)	Max RM1000.00