



Dagang NeXchange Berhad
197001000738 (10039-P)

Anti-Bribery & Anti-Corruption Framework and Policy

The Anti-Bribery & Anti-Corruption Framework and Policy has been approved for adoption in accordance with Board Resolution passed at the Board Meeting held on 29 May 2020.

Tan Sri Abd Rahman Mamat
Chairman / Independent Non-Executive Director

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Abbreviations

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

Abbreviation	Definition
ABAC	Anti-Bribery and Anti-Corruption
BOD	Board of Directors
CoC	Code of Conduct
CSR	Corporate Social Responsibility
DAL	Discretionary Authority Limit
EDC	Executive Deputy Chairman
ED	Executive Director
GCEO	Group Chief Officer
GMD	Group Managing Director
HOC	Head of Company
HOD	Head of Division
MC	Management Committee
MACC	Malaysian Anti-Corruption Commission
SSM	Suruhanjaya Syarikat Malaysia

Revision Record

Document Title:	ABAC Framework & Policy		
Ref No:	DNeX/ABAC		
Originator:	Risk and Compliance Management Department		
Applicable To:	Dagang NeXchange Berhad (“DNeX”) and its subsidiaries (collectively known as “DNeX Group” or “Group”).		
Revision No:	New	Effective Date:	2020

1.0 Objectives

1.1 General Information

The Anti-Bribery & Anti-Corruption (“ABAC”) Framework and Policy (hereinafter referred to as “ABAC Framework & Policy”) defines the policies and procedures for Dagang NeXchange Berhad (“DNeX”) and its subsidiaries (collectively known as “DNeX Group or “Group”). Rules (including Circulars and Letters) from the regulators shall automatically supersede the existing operating policies and procedures herein stated.

The ABAC Framework & Policy are applicable to the following stakeholders:

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

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

1.2 ABAC Framework & Policy Objectives

The main objectives of this ABAC Framework & Policy are as follows:

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

2.0 Key Definition

2.1 Anti-Bribery and Anti-Corruption Framework & Policy

This refers to the ABAC Framework & Policy established by DNeX.

2.2 Agent

This refers to a party who is legally authorised to act on behalf of the Company and performing particular business activities. The agent does not have any involvement in the operational activities and decision making of the business.

2.3 Bribery

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

2.4 Board of Directors

This refers to as the BOD of DNeX.

2.5 Business Partner

This refers to a commercial entity in which DNeX Group has form a business alliance. The relationship of the business alliance is on contractual basis.

2.6 Executive Deputy Chairman/ Group Chief Executive Officer/ Group Managing Director

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

2.7 Code of Conduct

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

2.8 Corporate Hospitality

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

2.9 Corruption

The MACC Act 2009 defines corruption as the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/ her job description.

2.10 Customer

This refers to client, buyer, or purchaser who are the recipient of DNeX Group's goods/ products or services.

2.11 Donation

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

2.12 Employee

This refers to a person under the employment of the Group, not limited to executives and non-executives, including permanent, contract and temporary employment.

2.13 Extortion Payment

This refers to money that is forcibly extracted from the Group or its employee by real or perceived threat to health, safety and liberty. This list is not exhaustive and limited to the scope of ABAC, and subject to the discretion of the EDC/ GCEO/ GMD and/ or Board.

2.14 Facilitation Payment

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

2.15 Gift

This refers to items given by the Group to a third party without the expectation of payment or benefit in return. For example, gift vouchers, token bearing DNeX's logo and festive gifts/ hampers.

2.16 Guideline on Adequate Procedure

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

2.17 ISO 37001:2016

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

2.18 Discretionary Authority Limit

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

2.19 Management

This refers to the management team of the Group, including HODs, HOCs, ED and EDC/ GCEO/ GMD.

2.20 Public Official

This refers to, without limitation a person holding legislative, administrative, or judicial office, including officials of state-owned enterprise of public agency and officials of any political party.

2.21 Management Committee

This refers to the Management Committee (“MC”) of DNeX, providing oversight of ERM and corruption risk assessment of the Group.

2.22 Sponsorship

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

2.23 Vendor

This refers to contractors, consultants, suppliers, and so forth who provide products and/ or services to DNeX Group for a fee.

2.24 Whistleblower

This refers to a person (internal or external) raising or reporting concerns of wrongful activities or wrongdoings as defined in the Whistleblowing Framework and Policy of DNeX.

2.25 Whistleblowing Framework and Policy

This refers to the Whistleblowing Framework and Policy of DNeX, applicable to the Group.

3.0 Responsibility

3.1 Board of Directors

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

3.2 Executive Deputy Chairman/ Group Chief Executive Officer/ Group Managing Director

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

3.3 Management Committee

Reference shall be made to the *Management Committee Terms of Reference* pertaining to its primary objectives:

- a. Oversee the establishment and implementation of a risk management framework and the effectiveness of risk reporting structure;
- b. Review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management; and
- c. Reviewing the key risks associated with proposed major investments or expenditure which are subject to Board's approval as per DNeX Group's Discretionary Authority Limits (DAL) and recommended strategies, policies and procedures and risk tolerance of the Group for the Board's approval.

3.4 Risk and Compliance Management

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

3.5 Employee

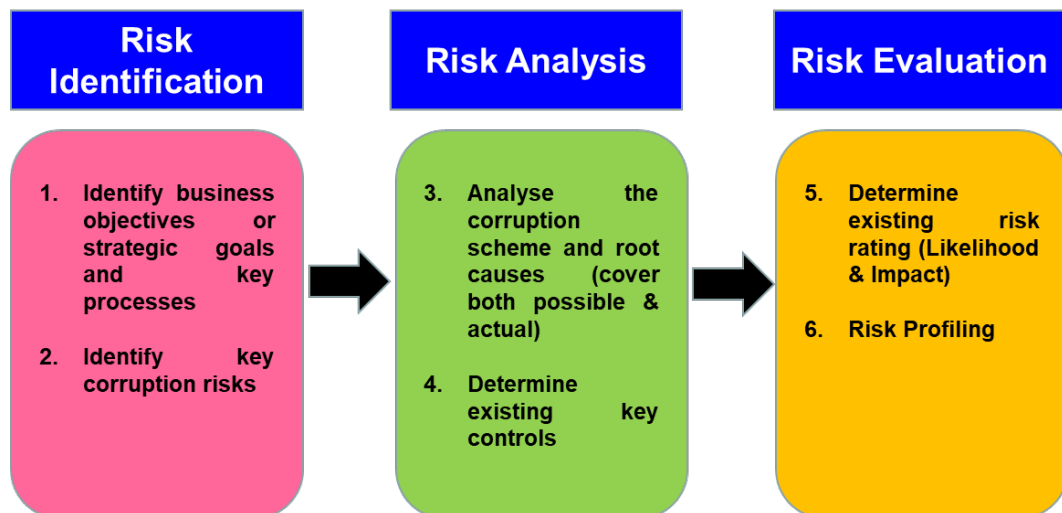
- a. Executes the ABAC Framework & Policy, including enhancement of underlying controls on affected functions under his/ her responsibility, as elaborated in this Framework & Policy;
- b. Adheres to the requirement of the ABAC Framework & Policy; and
- c. Reports on suspected bribery or corruption via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

3.6 Amendments to ABAC Framework & Policy

If there is any requirement to update, improve, and/ or amendments made to this ABAC Framework & Policy, proposed changes shall be recommended by EDC/ GCEO/ GMD, and approval by the Board. Key information on addition of new policy/ procedure and deletion or variation of existing policy/ procedures shall be indicated for version control purpose.

4.0 Corruption Risk Assessment Approach

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



- b. The BOD, through the Management Committee (“MC”), which comprises of EDC/ GCEO/ GMD, ED, Senior Management and selected Head of Departments shall oversee and ensure accountability of corruption risk identified with the corresponding controls to be implemented.
- c. The risk parameters (such as financial impact, customer relationship, reputation/ media, and so forth) are established to estimate the consequences of a risk, namely likelihood of occurrence and criticality of impact, based on DNeX’s risk appetite.

- d. Risk Register is developed to capture potential corruption scheme(s), possible root causes, existing key controls and impact are maintained for the Group. The risks are then evaluated based on the likelihood of occurrence and criticality of impact to provide a basis for Management in strategic decision-making process and mitigation of corruption risks.
- e. MC of DNeX shall conduct regular risk assessment i.e. on a yearly basis and/ or when there is a change in law or circumstance of the business to ensure that the identified corruption risks remains relevant and adequate mitigating controls are discussed and implemented.
- f. Specific anti-corruption plan shall be identified by the respective HOD or HOC and reported to the EDC/ GCEO/ GMD or ED for review and monitoring.

5.0 Gift and Corporate Hospitality

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

5.1 "No Gift" Policy

- a. DNeX has adopted a "No Gift" policy whereby, subject only to certain narrow exceptions (refer to item 5.2), DNeX employees and directors (executive and non-executive), family members or agents acting for or on behalf of DNeX employees, directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts to/ from external party having business dealing with the Group.
- b. DNeX requires all employees and directors to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between DNeX and external parties as a gift can be seen as a bribe that may tarnish DNeX's reputation or be in violation of anti-bribery and corruption laws.

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

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

5.2 Exceptions to "No Gift" Policy

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

- Exchange of gifts at the company-to-company level (such as gifts exchanged between companies as part of an official company visit/ courtesy call and thereafter said gift is treated as company property);
- Gifts from company to external institutions or individuals in relation to the company's official functions, events and celebrations (such as commemorative gifts or door gifts offered to all guests attending the event);
- Gifts from DNeX to employees and directors and/ or their family members in relation to an internal or externally recognised Company function, event and celebration (such as in recognition of an employee's/ director's service to the Company);
- Token gifts of nominal value normally bearing the DNeX or company's logo or (such as t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows, etc. and deemed as part of the company's brand building or promotional activities; and

- Gifts to charitable organisations or the equivalent who have no business dealings with DNeX (such as monetary gifts or gifts in-kind to charitable organisations).

'Nominal Value' of a gift shall be defined as the sum of the gift(s) having the aggregate monetary value as per DNeX's CoC. Employees shall report to their respective HODs or HOCs all gifts or favours received which exceed the nominal value. All employees shall, if in doubt as to the nature or purpose of the gift or favour consult the Chief People Officer who shall decide, either in consultation with or through his own accord, the course of action in respect of such gift or favour.

Gifts which cannot be accepted by the employee shall be:

- a. Returned to the donor; or
- b. If such return is not possible or impracticable, retained by the Company for distribution to recognised charitable organisation, the Company sport and recreational club or for general distribution to DNeX Group's employee.

5.3 Purchase of Gift and Corporate Hospitality

- a. Purchase requisition pertaining gift and corporate hospitality shall be a reasonable amount, subject to the approval of the EDC/ GCEO/ GMD and in line with the Discretionary Authority Limit ("DAL"). Such gifts and hospitality shall fulfil **ALL** of the following conditions prior to approval:
 - i. They are intended to maintain good rapport with the vendors/ customers of the Group and public officials;
 - ii. They are limited, customary and lawful under the circumstances;
 - iii. They do not have or perceived to be affecting action(s) or decision(s) of the receiving party;
 - iv. There shall be no expectation of any specific favour, benefit or advantages from the intended recipients;
 - v. There shall not be any corrupt/ criminal intent; and
 - vi. The giving out of gift or corporate hospitality shall be transparent.
- b. Purchase of gift or corporate hospitality, subject to the fulfilment of condition as stipulated in Clause 5.2 and Clause 5.3(a), is only permitted to the HOD or HOC and above within the Group.

- c. Any purchase of gift or corporate hospitality shall be approved according to DNeX Group's DAL.
- d. Purchase requisition pertaining to gift and corporate hospitality for public official from the public sector, shall be restricted to statutory limit of the respective countries. However, gift in the form of cash or cash equivalent shall never be given or offered to any public or public officials.
- e. Purchase requisition on gift or corporate hospitality shall be indicated with purpose of requisition, including client or vendor name or representative details.
- f. All disputes on **limits** set in Section 5 of this ABAC Framework & Policy shall prevail over all other documentation. This ABAC Framework & Policy shall supersede all existing internal practices, policies and all procedures.

5.4 Gift Acceptance

- a. Under no circumstances that an employee of the Group or any member of his/ her immediate family shall accept or soliciting any form of gifts or favours inclusive cash or cash equivalent from any external party having business dealings with the Group.
- b. Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of DNeX is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever DNeX's business relationship with the Third Party.
- c. Registry must be maintained and record all incoming gift, however any gifts or favours received which exceeded the nominal value stipulated in DNeX's CoC shall be declared to their respective HOD or HOC (Please refer to **Appendix A for Gift and Entertainment Register**).
- d. All employees shall, if in doubt as to the nature or purpose of the gift or favour to consult the Chief People Officer who shall decide, either in consultation with or through his own accord, the course of action in respect of such gift or favour. Refusal of the gifts shall be based on actions stipulated in item 5.2.

5.5 Entertainment Acceptance

- a. Employees of the Group shall exercise proper care and judgment prior to providing or accepting entertainment to or from external party. This is vital to safeguard the Group's reputation and to protect its employee from allegation of soliciting bribe or corruption.
- b. All such courtesies must be reasonable and may not be frequent, suggesting a pattern.
- c. Registry must be maintained and record all entertainment expenses. Any entertainment expenses which exceeded the nominal value stipulated in DNeX's CoC shall be declared to their respective HOD or HOC (Please refer to **Appendix A** for **Gift and Entertainment Register**).

6.0 Sponsorship / Donation for Corporate Social Responsibility (CSR) and Charitable Causes

- a. The Group shall ensure that all sponsorships and donations are not used as a subterfuge for bribery. The Group needs to be certain that donations to charities or beneficiaries are not disguised as illegal payments to public officials and shall ensure that the charity does not act as a conduit to fund illegal activities in violation of local and/ or international anti-money laundering, anti-terrorism and other applicable laws.
- b. All sponsorships/ donations for CSR and Charitable Causes shall comply with the following:
 - ensure such contributions are allowed by applicable laws;
 - obtain all the necessary internal and external authorisations;
 - be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
 - be accurately stated in the company's accounting books and records; and
 - not to be used as a means to cover up an undue payment or bribery;

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

- The proposed recipient/ organisation has affiliations with a Public Official or their relatives are involved;
- The contribution is made on behalf of a Public Official;
- There is a risk of a perceived advantage for DNeX; or

- The proposed recipient is based in a high-risk country, the request comes from a high-risk country or the activity takes place in a high-risk country.
- c. DNeX requires employees to use good judgment and common sense in assessing the requests. When in doubt, employees shall seek for legal advice or escalate the matter to the EDC/ GCEO/ GMD or ED to determine the authenticity of such requests.
- d. Donation and sponsorship are only permissible with prior approval based on the prevailing DAL. All donations and sponsorship payment shall be supported with an official letter of request from the requesting external party and proof of receipt.

6.1 Education Sponsorships

- a. DNeX has a sponsorship programme with the objective to provide educational opportunities to deserving students to enable them to realise their potential and to contribute to the growth of DNeX and the nation.
- b. The awarding of scholarships shall be based on strict guidelines and due diligence to ensure that only the most qualified and deserving students receive the scholarship award. This is crucial to ensure that no element of corruption is involved in the giving out of scholarships. The selection of sponsorship recipients shall be based on approved criteria such as academic qualifications and assessment results.
- c. The process of selection shall be transparent and the reasons for selection shall be properly recorded. If the sponsorships are to be awarded to foreign public officials or persons associated with foreign public official selection shall be transparent and the reasons for selection shall be properly recorded. I any local laws and shall be in compliance with the approved sponsorship policy and guidelines of DNeX.

7.0 Facilitation and Extortion Payments

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

7.1 Facilitation Payment

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

7.2 Exception to Facilitation Payment (Extortion Payment)

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

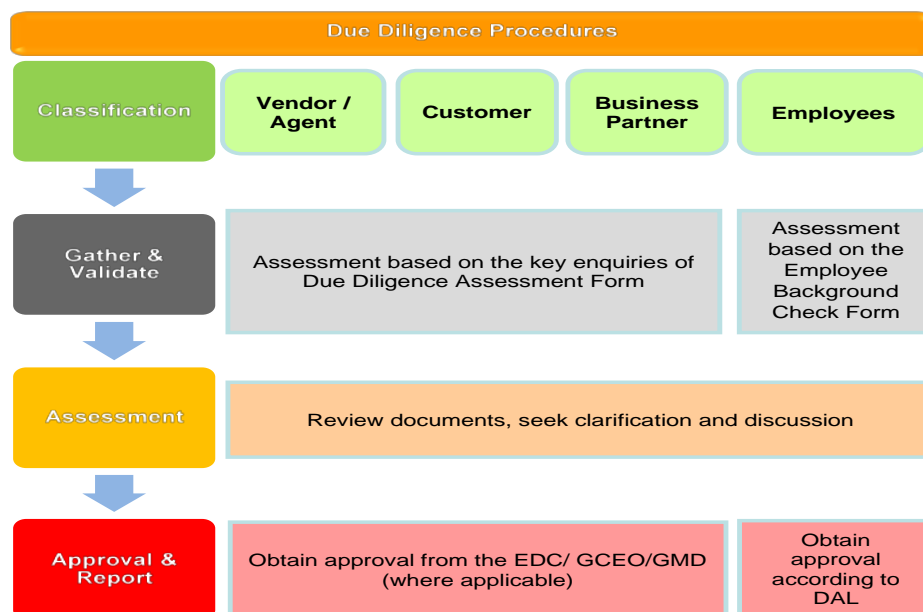
8.0 Due Diligence Procedures and Dealing with External Parties

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

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

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

The diagram below depicts the due diligence process flow:



8.1 Dealing with Vendors or Agents

- a. DNeX is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities by:
 - i. Adhering to the procurement policies and procedures;
 - ii. Avoiding dealing with any vendor, sub-contractors, or agents who known or reasonably suspected of corrupt practices;
 - iii. Ensuring that all new vendors/ sub-contractors/ agents are subject to background assessment and conflict of interest check prior to registration and acceptance;
 - iv. Communicating the ABAC Framework & Policy requirements to vendor, sub-contractors or agents (Please refer to **Appendix B for Vendor ABAC Declaration Form**); and
 - v. All vendors or agents are required to declare on their adherence to the ABAC Framework & Policy requirements via **Appendix B Vendor ABAC Declaration Form**.

- b. A Due Diligence Assessment Form shall be used in guiding DNeX employee to undertake an assessment on the vendors', sub-contractors', or agents' background and reputation, including their conflict of interest (Please refer to **Appendix C for Due Diligence Assessment Form**). The key components of vendor's/ agent's due diligence procedures cover the following but may vary depending on the circumstances:
 - i. Corporate profile;
 - ii. Company search via Suruhanjaya Syarikat Malaysia ("SSM") or equivalent authorities in the respective countries of operation;
 - iii. Financial background;
 - iv. Directorship;
 - v. Past records of criminal, bribery or corruption cases; and
 - vi. Potential conflict with existing employees or Director of the Group.

- c. The results and/ or any concern raised during this due diligence assessment shall be communicated to and with approval from the EDC/ GCEO/ GMD prior to entering into the relationship.

8.2 Dealing with Customers

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

- b. A Due Diligence Assessment Form shall be used in guiding the employee of DNeX to undertake an assessment on the customers' background and reputation, including their conflict of interest (Please refer to **Appendix C** for **Due Diligence Assessment Form**). The key components of customers due diligence procedures cover the following but may vary depending on the circumstances:
 - i. Corporate profile;
 - ii. Company search via SSM or equivalent authorities in the respective countries of operation;
 - iii. Financial background;
 - iv. Directorship;
 - v. Past records of criminal, bribery or corruption cases; and
 - vi. Potential conflict with existing employees or Director of the Group.

- c. The results and/ or any concern raised during this due diligence assessment shall be communicated to the EDC/ GCEO/ GMD prior to entering the relationship.

8.3 Dealing with Business Partners

- a. To improve the background assessment, a due diligence process shall be carried out with regards to any business partner who intend to enter into long terms business relationship with DNeX.

- b. Due diligence assessment shall be carried out to ensure business partner is not likely to commit bribery and corruption activities in the course of its partnership with DNeX. Conflict of interest check shall also be carried out during due diligence and make declaration according to DAL (Please refer to **Appendix C** for **Due Diligence Assessment Form**). The key components of business partner due diligence

procedures cover the following but may vary depending on the circumstances:

- i. Corporate profile;
 - ii. Company search via SSM or equivalent authorities in the respective countries of operation;
 - iii. Financial background;
 - iv. Directorship;
 - v. Past records of criminal, bribery or corruption cases; and
 - vi. Potential conflict with existing employees or Director of the Group.
- c. The results and/ or any concern raised during this due diligence assessment shall be communicated to the EDC/ GCEO/ GMD prior to entering the relationship.

8.4 Dealing with Public Officials

Caution shall be exercised when dealing with public officials. Providing gift, entertainment or corporate hospitality to public officials or their family/ household members is generally considered a 'red flag' situation in most jurisdictions.

DNeX shall not provide non-business travel and hospitality for any public official or his/ her family/ household members without permission from the EDC/ GCEO/ GMD.

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

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

8.5 Dealing on Recruitment of Employees

- a. Background screening on shortlisted candidate(s) is required during the evaluation stage of recruitment process (Please refer to **Appendix D** for **Employee Background Check Authorisation Form** and **Appendix E** for **Employee Background Check Form**).
- b. Key considerations prior to acceptance of shortlisted candidate(s) cover the following:
 - i. Past criminal records (if any);
 - ii. Potential fraud, bribery or corruption committed in the previous organisation;
 - iii. Verification of past employment or institution of learning references, where applicable; and
 - iv. Conflict of interest, i.e. relationship with any employee, vendor, customer or Director of the Group.
- c. Recruitment due diligence result for Senior Management and above shall be vetted by the EDC/ GCEO/ GMD or ED prior to acceptance of the candidate.
- d. Newly recruited employee(s) shall be provided with an onboarding programme, including the briefing on DNeX's ABAC Framework & Policy and CoC.

9.0 Reporting Procedures on Suspected Bribery or Corruption Activities

Reference shall be made to the Whistleblowing Framework and Policy pertaining to reporting procedures on suspected bribery or corruption activities.

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

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

9.1 What to Report

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

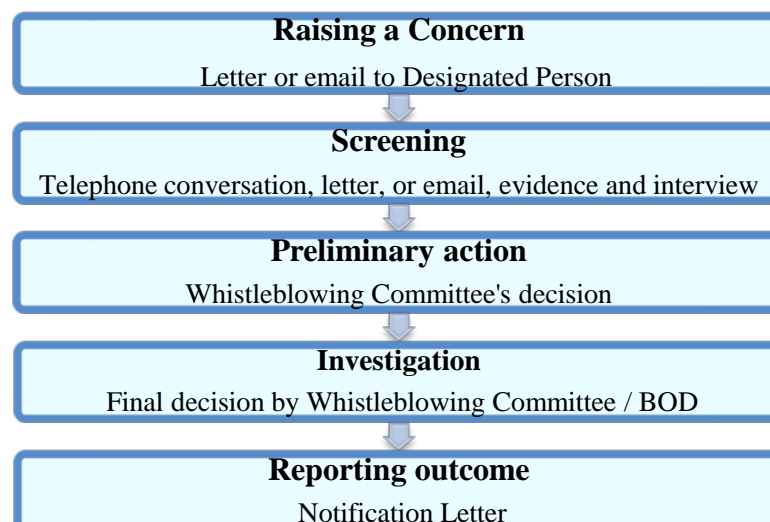
- a. Whistleblower's contact information
 - i. Name
 - ii. Designation
 - iii. Contact Number
 - iv. Email Address

- b. Suspect's information
 - i. Name
 - ii. Designation
 - iii. Contact Number
 - iv. Email Address

- c. Complaints / Concerns
 - i. Incident date
 - ii. Affected parties
 - iii. Incident or event location
 - iv. Supporting documents (where applicable)
 - v. Other details or information which may assist the investigation

9.2 How to Report

Whistleblowers shall report their concerns using the reporting channels as stated in the *Whistleblowing Framework & Policy*, which is available on DNeX's website.



10.0 Internal / External Assessment

- a. As part of the internal monitoring process, Risk and Compliance Management Department shall review the underlying controls of ABAC and identify any non-compliance incidences on a quarterly basis.
- b. If any of DNeX Group's key stakeholders as defined in Clause 8.0 are found to have breached any ABAC rules and regulations of this ABAC Framework & Policy, such breach may result to the following actions taken:

Key stakeholders	Actions taken
Employee	Disciplinary action by DNeX Group in accordance with the CoC of DNeX which includes termination of employment.
Vendor / Agents / Customers / Business Partner	<ol style="list-style-type: none"> i. Subjected to BOD's approval, retain business dealings; ii. Discontinue business dealings with immediate effect; iii. Termination of contract with immediate effect; or iv. Legal proceedings if required.

- c. DNeX may engage an independent consultant to review and assess the adequacy and implementation of this ABAC Framework & Policy on a regular basis i.e. every three (3) years.

11.0 Training and Awareness Programme

- a. Annual training and awareness programme on ABAC shall be provided to DNeX's employees and key stakeholders as defined in Clause 8.0, as appropriate to their roles and taking into account the bribery risk assessment.
- b. Updates on this ABAC Framework & Policy with regards to its content as well as regulatory requirement affecting the ABAC practices shall be communicated to DNeX's employees and key stakeholders, defined in Clause 8.0.

12.0 Appendices

Appendix A - Gift and Entertainment Register

Dagang NeXchange Berhad Gift and Entertainment (“GE”) Register	Department/ Division/ Company:	Ref. No: DNeX ABAC-GER-01
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No.	Date	Name	Giving/ Offering/ Receiving/ Rejecting GE	Nature/ Description of GE	Events/ Occasions	Name(s) of person/ Organisation(s) involved	Business Relationship	Any pending negotiation/ transactions	Value of GE (RM)	Approval by HOD/ HOC
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										

Prepared by:

Verified by HOD/ HOC:

Reviewed by Risk & Compliance:

Name:

Name:

Name:

Date:

Date:

Date:

Note: The register is to be completed and submitted to Risk and Compliance Management Department on quarterly basis for verification.

Appendix B - Vendor ABAC Declaration Form

Dagang NeXchange Berhad Vendor ABAC Declaration Form	Ref. No: DNeX-ABAC Declaration-01
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Vendor ABAC Declaration Form

Our company, _____ (Company Name), (which includes its Directors, officers, employees and any associated person who intend to conduct business transaction(s) with Dagang NeXchange Berhad and its subsidiaries (collectively known as "DNeX Group") hereby to confirm that:

- a. A copy of the Anti-Bribery & Anti-Corruption Framework and Policy ("ABAC") was provided and we have read and understood the ABAC (A copy of the ABAC is available on <http://www.dnex.com.my>). We agree and undertake to abide by all terms and conditions of the ABAC at all times.
- b. We have not been convicted nor are we subject of any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected bribery and corruption activities.
- c. If we have reasonable grounds to suspect any actual or suspected breach to the ABAC, we shall report such act to DNeX as soon as reasonably practicable.
- d. In the event that we are in breach of the ABAC, DNeX Group may immediately terminate the contract/ agreement entered without any liability whatsoever on the part of the DNeX Group to us. This is without prejudice to any other rights or remedies that the DNeX Group may have or any other appropriate action which the DNeX Group may seek under the terms of the applicable contract/ agreement or the applicable rules and regulations.

Yours sincerely,

Name of Company Director (or Equivalent):

Name of Company:

Company stamp:

Appendix C - Due Diligence Assessment Form

Dagang NeXchange Berhad ABAC Due Diligence Assessment Form	Ref. No: DNeX ABAC-DD-01
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1.0 Company Background Information				
Company Name		Registration Number		
Date of Incorporation		Country / Location of Operations		
Principal Business				
Please list the shareholders or owners who have interest in the Company's business				
Name	Shareholders/ Director	% of Shares		Any interest within DNeX Group (Y / N)
		Number	Percentage	

2.0 Financial Performance			
Description	Current year	Previous Year	Remarks
Revenue			
Gross margin			
Profit / (Loss)			

3.0 General Checklist			
Description	Yes	No	Remarks (If Yes)
1. Within the last three (3) years, did any of the shareholders, directors or senior management, ever been found involved into any criminal, bribery or corruption cases?			
2. Does the Company allow facilitation payment practice in its business dealings?			
3. Does the Company have any channels in place to allow reporting of any misconduct?			

Appendix C - Due Diligence Assessment Form (Cont'd)

3.0 General Checklist			
Description	Yes	No	Remarks (If Yes)
4. Does the Company rely on agents or intermediaries for its business operation?			
5. Does the Company have a code of conduct or any form of formalised ABAC policy and guidelines?			
6. Does the Company have any policy to govern gift, corporate hospitality and entertainment giving and acceptance?			
7. Do any shareholders, directors or Senior Management of the Company have connections with government official/ politician (including immediate family member)?			

Attachments required:

1. Form 49 equivalent or SSM search report
2. CTOS report
3. Company's code of conduct (if any)
4. Company's ABAC Framework & Policy (if any)
5. Any other background research/ news

Assessed by:

Reviewed by:

Signature

Name:

Date:

Signature

Name:

Date:

Appendix D - Employee Background Check Authorisation Form

Dagang NeXchange Berhad ABAC Employee Background Check Authorisation Form	Ref. No: DNeX ABAC-EBCA-01
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Employee Background Check Authorisation Form

I, _____, understand and agree to give consent to Dagang NeXchange Berhad to conduct a background check to confirm my personal information, and previous employment experience by contacting my references or previous employers to verify the details provided in the application form.

I also understand that this is necessary if I wish to meet all of the criteria for the position of _____ [job title] at _____ (company name), and that a successful background check is not a guarantee of employment.

Signature:

Date:

Appendix E - Employee Background Check Form

Dagang NeXchange Berhad Employee Background Check Form	Ref. No: DNeX ABAC-HR-01
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References Name:	Contact No.:
Date called:	Time called:

No	Category	Questions	Points	Remarks (if any)
1	A	How long had the employee served the Company		
2		What was the reason for him/ her leaving the previous Company		
3	B	Work Attitude		
4		Performance		
5		Punctuality		
6		Relationship with superior		
7		Relationship with peer		
8		Relationship with subordinates		
9		Willing/ unwilling to accept responsibility		
10		Relationship with clients		
11		Leadership skills		
12		Job Knowledge/ Professional qualification related to position applied		
13	C	Are there any misconduct/ disciplinary action taken against the employee (If yes, list each incident and the details)		
14	D	Would you consider to re-employ him		
15		Would you consider others to employ him		
Total points				

Appendix E - Employee Background Check Form (Cont'd)

Dagang NeXchange Berhad Employee Background Check Form	Ref. No: DNeX ABAC-HR-01
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Category	Points	Remarks
A	4	Consistent information provided in Employment Application Form/ Interview Session
	0	Inconsistent information provided in Employment Application Form/ Interview Session
B	1	Poor
	2	Satisfactory
	3	Good
	4	Excellent
C	4	No misconduct case
	0	If any misconduct case
D	4	Recommended
	0	Not recommended

Total Points	10 - 29	Poor
	30 - 40	Satisfactory
	41 - 50	Good
	51 - 60	Excellent

Background checked by:

Signature

Name:

Date: