



ANTI-BRIBERY AND CORRUPTION POLICY

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DEFINITIONS

Terminology	Definition
ABC Policy	means this Lion Group Anti-Bribery and Corruption Policy together with the Appendices hereto.
Business Associates	means any party who does not have an employment relationship with Lion Group but some degree of involvement in the Group's business dealings and for these purposes, the term "Business Associates" includes but is not limited to a party that provides services to or on behalf of Lion Group such as supplier of production raw materials, appointed distributors, agents, contractors, sub-contractors, logistics service providers, information technology or information system vendors, event management companies, external company secretaries, lawyers, consultants, representatives etc.
CoBEC	means Lion Group's Code of Business Ethics and Conduct with the Appendices hereto.
Director	means a director (executive and non-executive) of the companies within Lion Group, except otherwise stated in this ABC Policy.
Employees	means any person who is employed by Lion Group, either part time or full time, including but not limited to executives, non-executives, secondees and any individuals on direct hire.
Family Member	means the spouse(s), children (including stepchildren and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as any other person who are members of the household.
Group Chairman Office	means the office of Chairman of Lion Group and/or Group Executive Director.
Lion Group or Group	means any of the public listed company or public company and/or its subsidiaries; and private companies where the Chairman of Lion Group has control.
MACC Act	means the Malaysian Anti-Corruption Commission Act 2009.
Personnel	means all Directors and Employees.
Public Official	means an officer of a public body as defined in the Guidelines of Adequate Procedures issued by the Prime Minister's Department.

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REVISION HISTORY

Revision		Changes / Modifications
No.	Date	
1.	1 June 2023	<ol style="list-style-type: none"> 1. Addition of Definition Table – Page 2 2. Replace Section 3.0 – Definitions with Laws And Regulations Governing Corruption – Page 6 3. Add APPENDIX 1 – Page 22 4. Add APPENDIX 2 – Page 25

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1.0 INTRODUCTION

Lion Group has adopted a zero tolerance policy against all forms of bribery, fraud and corruption. CoBEC (Section 19A) and Employee Code of Conduct (Section 19B) set out the Group’s core principles in this regard. The ABC Policy elaborates upon those principles, providing guidance to all parties stated in Section 2 below (“stakeholders”) concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

This ABC Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide stakeholders, particularly Employees with a basic introduction as to how Lion Group combats bribery and corruption in furtherance of the Group’s commitment to lawful and ethical conduct at all times. Please contact Group Risk Management & Compliance Department (“GRC”) immediately should you require clarifications about the scope of applicable laws or the application of the Group’s policies concerning the fight against bribery and corruption.

Engaging in bribery or corrupt practices can have severe consequences for you and for Lion Group. You may face dismissal, fines and imprisonment, and the company may face damage to reputation, financial loss and disbarment from business and other negative consequences.

This ABC Policy is available at www.lion.com.my.

2.0 SCOPE OF APPLICATION

This ABC Policy is intended to apply to every Personnel. Joint-venture companies in which Lion Group is a non-controlling co-venturer and associated companies are encouraged to adopt these or similar principles and standards.

Although this ABC Policy is specifically written for the Personnel, the Group expects that the customers, Business Associates, and others performing work or services for or on behalf of Lion Group will comply with it where relevant when performing such work or services.

If there is any conflict between the applicable law and this ABC Policy, you should comply with the applicable law in the order of precedence. If you have any questions about any of these conflicts, please consult GRC Department.

The above scope of application is not exhaustive.

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3.0 LAWS AND REGULATIONS GOVERNING CORRUPTION

Corruption generally means the act of soliciting or receiving, or offering or giving any gratification, in the form of cash or in kind, for the purpose of improperly influencing a business decision in relation to a dealing.

Corruption may be in a variety of forms, including but not limited to:

- (i) Bribery, where a person offers or gives, solicits or receives benefits (which may be in the form of corporate hospitality, entertainment or gifts) with the intention or knowledge that the benefits will be used to induce someone to perform a dishonest or an illegal act or a breach of trust.
- (ii) Embezzlement, where someone dishonestly appropriates money or other assets with which he/she has been entrusted with.
- (iii) Abuse of power, where someone abuses a position of trust for the purposes of illicit gain.

The main law governing corruption in Malaysia is the MACC Act. The Penal Code also contains provisions relating to corruption. The regulatory body responsible for enforcement of the anti-corruption laws in Malaysia is the Malaysian Anti-Corruption Commission.

LAWS AND REGULATIONS	
A) <u>MACC Act</u>	
The offences under the MACC Act include the following:	
Section 16	: Accepting Gratification <i>This provision is worded in a general manner and is applicable to Personnel in Lion Group's daily business operations. It is an offence if you corruptly solicit or receive or agree to receive for yourself or for any other person or corruptly give, promise or offer to any person whether for the benefit of that person or of another person, any gratification as an inducement to or a reward for doing or forbearing to do an act.</i>
Section 17	: Giving or Accepting Gratification by Agent <i>This provision is applicable to Personnel when acting as an agent in relation to Lion Group's affairs or business or when dealing with third party. It is an offence if you as an agent of Lion Group, corruptly accept or obtain, any gratification as an inducement or a reward for doing or forbearing to do any act in relation to Lion Group's affairs or business.</i> <i>This provision is also applicable to Personnel if you corruptly give, or agree to give or offer, any gratification, to any agent as an inducement or a reward for doing or forbearing to do any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business.</i>

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Section 17A <i>(New – Malaysian Anti-Corruption Commission (Amendment) Act 2018)</i>	: Offence by Commercial Organisation <i>This provision is applicable to commercial organisations which include Lion Group.</i> <i>A commercial organisation commits an offence if a person associated with the commercial organisation corruptly gives, agrees to give, promises or offers to any person any gratification with the intent to obtain or retain business or an advantage in the conduct of business for the commercial organisation.</i>
Section 18	: Intending to Deceive Principal by Agent <i>This is applicable to Personnel when acting as an agent of Lion Group. It is an offence if you use any receipt, account or other document that contains false or erroneous or defective in any material particular with the intention to mislead Lion Group.</i> <i>This provision is also applicable to Personnel if you give to an agent any receipt, account or other document that contains false or erroneous or defective in any material particular with the intention to mislead the principal of an agent whom you are dealing with.</i>
Section 20	: Corruptly Procuring the Withdrawal of Tender <i>This provision is applicable to Personnel who are involved in procuring contracts from any public body. It is an offence if you offer any gratification to any person as an inducement or a reward for him to withdraw his tender. It is also an offence if you solicit, or accept any gratification as an inducement or a reward for you to withdraw your tender.</i>
Section 21	: Bribery of Officer of Public Body <i>This provision is applicable to Personnel who deal with officers of public body. It is an offence if you offer to an officer of any public body, any gratification as an inducement or reward for the purposes of influencing his actions in relation to his official duties.</i>
Section 22	: Bribery of Foreign Public Officials <i>The provision is applicable to Personnel who deal with foreign public officials. It is an offence if you offer to any foreign public official, any gratification as an inducement or reward for purposes of influencing his actions in relation to his official duties.</i>

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B) Penal Code	
The relevant provisions on corruption under the Penal Code are as follows:	
Section 162	: Taking a gratification in order, by corrupt or illegal means, to influence a public servant <i>This provision is applicable to Personnel who accept gratification as a motive or reward for inducing by corrupt or illegal means, any public servant to do or forbear to do any official act or to show favour or disfavour to any person.</i>
Section 163	: Taking a gratification, for the exercise of personal influence with a public servant <i>This provision is applicable to Personnel who accept gratification as a motive or reward for inducing, by the exercise of personal influence, any public servant to do or forbear to do any official act or to show favour or disfavour to any person.</i>
Section 213	: Taking gifts, etc., to screen an offender from punishment <i>This provision is applicable to Personnel who are in position of authority and use this authority to receive gratification for purposes of concealing an offence or screening any offender from legal punishment. It is an offence to receive gifts for purposes of concealing an offence, or of his screening any person from legal punishment for any offence, or of his not proceeding against any person for the purpose of bringing him to legal punishment.</i>
Section 214	: Offering gift or restoration of property in consideration of screening offender <i>This provision is applicable to Personnel who offer gratification with the intention to conceal his or someone else's offence or to screen any offenders from legal punishment. It is an offence to offer or give gratification to any person for purposes of concealing an offence (whether your own offence or someone else's) or screening any person from legal punishment of any offence or influencing such person to not proceed against any person for the purpose of bringing him to legal punishment.</i>

All Personnel must bear in mind that there are severe consequences of being involved in corrupt activities as stipulated in **APPENDIX 1** annexed to this ABC Policy.

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4.0 CONFLICT OF INTEREST

Lion Group expects all Personnel to act in accordance with the highest standards of personal and professional integrity in all aspects of their duties and employment. The following policies and guidelines set out the general conduct and behaviour of the Personnel in respect of Conflict of Interest in discharging their functions and duties:

- (i) CoBEC (Section 19A – Part B on Conflict of Interest)
- (ii) Employee Code of Conduct (Section 19B – Clause 7 on Conflict of Interest)

5.0 GIFT, ENTERTAINMENT, HOSPITALITY AND TRAVEL

The following policies and guidelines set out the general conduct and behaviour of Personnel in respect of Gift, Entertainment, Hospitality and Travel in discharging their functions and duties:

- (i) CoBEC (Section 19A – Part C on Corruption and Prohibited Practices)
- (ii) Employee Code of Conduct (Section 19B – Clause 8 on Gifts and Entertainment)

6.0 CORPORATE SOCIAL RESPONSIBILITY, DONATIONS AND SPONSORSHIPS

Lion Group is committed to contributing to the well-being of the people and the local communities in the countries where it operates in. It is however important that all Corporate Social Responsibility (“**CSR**”) initiatives, donations and sponsorships are made in accordance with Lion Group policies and upon approval by Group Chairman Office or Lion-Parkson Foundation (“**LPF**”)’s Board of Trustees.

6.1 CORPORATE SOCIAL RESPONSIBILITY

As part of our commitment to CSR and sustainable development, Lion Group supports CSR initiatives as part of our contribution to the communities and the environment in which we operate in. However, requests for such contribution must be carefully examined and not to be made to improperly influence a business outcome or secure a business advantage.

The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain whether any Public Officials are affiliated with the organisation.

Any red flags must be resolved before committing any funds to the programme. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients. Please contact the Group’s Corporate Communications Department for guidance or assistance.

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6.2 DONATIONS AND SPONSORSHIPS

All Personnel must ensure that all donations and sponsorships are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the CoBEC (Section 19A – Part C on Corruption and Prohibited Practices), including in particular, the prohibition on bribery.

In accordance with Lion Group’s commitment to contribute to the community coupled with its values of integrity and transparency, all donations and sponsorships must be in good faith and in compliance with the CoBEC and this ABC Policy. All donations and sponsorships must comply with the following:

- (a) ensure all donations and sponsorships are allowed by applicable laws;
- (b) obtain all the necessary internal authorisation and/or external authorisation, if required;
- (c) be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- (d) be accurately stated in the company’s accounting books and records; and
- (e) not to be used as a means to cover up an undue payment or bribery.

For all donations and sponsorships, please refer to the applicable Authority Limit Chart/Authorisation Grid and CoBEC (Section 19A – Part C on Corruption and Prohibited Practices). Please contact the Group’s Corporate Communications Department if you require further clarification.

6.3 EDUCATIONAL SCHOLARSHIPS

Lion Group has a scholarship programme under LPF with the objective to provide educational opportunities to deserving students to enable them to realise their potential and to contribute to the growth of Lion Group and the nation. The awarding of scholarships should 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 scholarship recipients should be based on approved criteria such as academic qualifications, financial needs and assessment results. The process of selection should be transparent and the reasons for selection should be properly recorded.

If the scholarships are to be awarded to any Public Officials or persons associated with any Public Officials, caution must be exercised to ensure that the awarding of scholarship would not violate any local laws and must be in compliance with the approved LPF scholarship guidelines as stated in the LPF Scholarship Policy & Guidelines available at Lion Group Intranet (LGPG-GHR-LPF).

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6.4 FINANCIAL ASSISTANCE FOR MEDICAL REQUIREMENTS

LPF also disburses financial aid for Malaysians in need of medical treatment, and to non-profit making organisations and NGOs for purchase of medical equipment such as dialysis machines to provide treatment to the needy.

Approval of financial aid is based on such criteria as health condition and age of patient, type, cost and duration of treatment required, and financial needs, amongst other factors. The evaluation and approval of applications should be transparent and properly recorded, in compliance with the approved guidelines for LPF Medical Approval Committee.

7.0 POLITICAL CONTRIBUTIONS

In addition to the Policy & Guidelines set out in the CoBEC (Section 19A – Part F on Duty to Serve – sub-section 2 on Freedom of Political Association), as a matter of general policy, Lion Group does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.

In very limited circumstances, if any contribution is to be made, it must be approved by Group Chairman Office, permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return and must be accurately reflected in the contributor's accounting books and records.

8.0 FACILITATION PAYMENT

Facilitation payment is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence the other party in his duty.

Lion Group prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person who is subject to the CoBEC. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.

All Personnel subject to the CoBEC must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If you receive such a request or if you are offered facilitation payments, you must report to the GRC Department.

Exception to making facilitation payment

However, there are certain situations or circumstances where you are faced with having to make facilitation payments in order to protect your life, limb or liberty. In dangerous situations like this, you are allowed to make payments but you must immediately report to the GRC Department. Making facilitation payment in such a situation is the only exception which can be used as a defence when faced with allegations of bribery and corruption.

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9.0 DEALING WITH BUSINESS ASSOCIATES

Lion Group’s dealings with the Business Associates, joint venture partners, introducers/government intermediaries, Public Officials etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of the CoBEC. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

Lion Group expects that all Business Associates acting for or on its behalf to share its values and ethical standards as their actions can implicate the Group legally and tarnish its reputation. Therefore, where we engage Business Associates, intermediaries or joint venture partners, we are obligated to conduct appropriate counterparty due diligence to understand the business and background of any prospective business counterparties before entering into any arrangements with them to ensure that we are dealing with counterparties that subscribe to acceptable standards of integrity in the conduct of their business. The selection consideration and criteria are guided by the Group Procurement Framework with Standard Operating Procedures (“**SOP**”) established by the respective operating companies.

To help in ensuring that we conduct business with Business Associates that share Lion Group’s standards of integrity, we must:

- (a) Conduct due diligence such as background checks on the person or entity, document verification or conducting interviews with the person or entity to be appointed. Do not enter into any business dealings with any Business Associates who are reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated upon and resolved.
- (b) Ensure all Business Associates are made aware of the CoBEC, Vendor Code of Conduct, Integrity and Fraud Risk Policy, this ABC Policy and our expectations of them. Lion Group’s policy and guidelines on Vendor Code of Conduct and Vendor Letter of Declaration are to be in place and communicated to the relevant vendors.
- (c) Continue to be aware of and to periodically monitor the performance and business practices of these Business Associates to ensure ongoing compliance by them.

If at any point during the due diligence exercise or in the dealings with the Business Associates, there are conflicts of interest or “**red flags**” are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the Business Associates can progress. Examples of common “red flags” involving Business Associates include:

- (a) The transaction involves a country known for a high incidence of corrupt payments.
- (b) Family Member, business or other “special” ties with government or Public Officials.
- (c) A reference check reveals a flawed background or a reputation for getting “things done” regardless of the circumstances or suggests that for a certain amount of money, the Business Associates can fix the problem.
- (d) Objection to anti-bribery representations and warranties in commercial agreements or negative response when informed of such requirements.
- (e) Convoluted payment arrangements such as payment in cash, payment to another Business Associates or to accounts in other countries or requests for upfront payment for expenses or other fees.

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- (f) The Business Associates requires that his/her identity not be disclosed as part of the business transaction.
- (g) Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.

Lion Group requires its Personnel to use good judgement and common sense in assessing the integrity and ethical business practices of Business Associates and has provided the above precautions as a guideline.

Employees should seek advice from the GRC Department whenever particular questions arise relating to Business Associates that the company has appointed or is considering appointing.

9.1 DEALING WITH CONTRACTORS AND SUPPLIERS

In line with the general principles of the CoBEC, Lion Group is committed to upholding the highest standard of ethics and integrity in all aspects of its procurement activities. Lion Group should avoid dealing with any contractors or suppliers known or reasonably suspected of corrupt practices or known or reasonably suspected to pay bribes.

Lion Group must ensure that all procurement activities are in line with its respective procurement policy and procedures, which include:

- (a) Due diligence of contractors and suppliers is undertaken before they are registered/licensed with Lion Group.
- (b) Contractors and suppliers are made aware of and understand the CoBEC and this ABC Policy and that they will comply accordingly. This is communicated through the Vendor Code of Conduct and Vendor Letter of Declaration.
- (c) All commercial contracts, purchase orders and invitations to bid/quote to incorporate the provisions relating to business conduct, conflict of interest and prohibition from giving gratifications.
- (d) All commercial contracts with major contractors and suppliers to incorporate a provision whereby Lion Group retains the right to audit third party compliance with the CoBEC and the provisions under this ABC Policy.

Lion Group must conduct due diligence on prospective contractors and suppliers to confirm whether or not these external parties have in place anti-bribery programmes and declaration that they will not engage in any improper practices.

Screening should be conducted on the company, its directors and top management as part of the due diligence process and procedures established by the respective operating companies. The scope and extent of the due diligence required will vary depending upon the circumstances of each transaction, any red flag identified and the result of the corruption risk assessment process.

Lion Group should also monitor significant contractors and suppliers as part of their regular review of the performance of these contractors and suppliers. Lion Group has the right to terminate their services in the event that these contractors and suppliers pay bribes or act in a manner which is inconsistent with the CoBEC and this ABC Policy.

If any red flags are raised, these issues must be resolved. If it is not possible then the company must be barred from being on the list of registered or licensed

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contractors/suppliers and/or disqualified from participating in any Lion Group tender/purchasing activity.

Due Diligence Checklist for Contractors and Suppliers

For all Lion Group, in particular, the procurement function must follow the following procedures when dealing with contractors and suppliers:

- (a) Perform a risk assessment based on the Corruption Risk Management Framework;
- (b) Undertake due diligence on these contractors and suppliers depending on the result of the risk assessment performed; and
- (c) Preparing and maintaining appropriate written documentation of the due diligence and risk assessment performed.

9.2 JOINT VENTURE PARTNERS

In view of the possibility that Lion Group may be held responsible for the unlawful activities of its co-venturers, we need to ensure that joint ventures (“**JV**”) in which Lion Group has a controlling interest adopt this ABC Policy.

Where Lion Group neither controls nor operates the JV or where Lion Group holds a minority interest, we should:

- (a) make reasonable efforts to encourage the JV Partner to adopt this ABC Policy (or substantially equivalent standards and principles) and to comply with all applicable anti-bribery and corruption laws and to establish controls substantially similar to Lion Group’s standards to prevent bribery;
- (b) be alert to warning signs which may arise in the conduct of the business. Any such warning signs must be reported to the Group Chairman Office for appropriate action to be taken; and
- (c) require (or where this right does not formally exist, request) that the majority partner or JV entity to provide written representation of anti-bribery compliance on an annual basis.

9.3 SIGNIFICANT INVESTMENTS, ACQUISITIONS OR MERGERS

Lion Group undertakes due diligence in evaluating investments, acquisitions or mergers to ensure compliance with anti-bribery and corruption laws. The guidelines for companies on undertaking anti-bribery and corruption due diligences in the course of investments, acquisitions or mergers are as follows:

- (a) Anti-bribery due diligence is considered on a proportionate basis for all investments but on a risk-based approach, with the level of due diligence being proportionate to the investments and the perceived likelihood of risk of bribery.
- (b) The level of anti-bribery due diligence for the transaction is commensurate with the bribery risks.

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- (c) Anti-bribery due diligence starts sufficiently early in the due diligence process to allow for adequate due diligence to be carried out and for the findings to influence the outcome of the negotiations or stimulate further review if necessary.
- (d) The partners or board provide commitment and oversight to the due diligence reviews.
- (e) Information gained during the anti-bribery due diligence is conveyed efficiently and effectively to the company's management.

What To Look for In Anti-Bribery Due Diligence:

- (a) Has bribery taken place historically?
- (b) Is it possible or likely that bribery is currently taking place?
- (c) If so, how widespread is it likely to be?
- (d) What is the commitment of the board and top management of the targeted party to countering bribery?
- (e) Does the targeted party have in place an adequate anti-bribery programme to prevent bribery?
- (f) What would the likely impact be if bribery, historical or current, were discovered after the transaction had completed?

9.4 DEALING WITH AGENTS OR INTERMEDIARIES

Lion Group undertakes due diligence in evaluating the appointment of agents/intermediaries to ensure compliance with anti-bribery & corruption laws and the provision of this ABC Policy. The guidelines for companies prior to entering into a contract/agreement with the agents are as follows:

- (a) There is a valid business case for appointing agents/intermediaries and the appointment must be approved by management of the respective operating companies.
- (b) The fees paid to agents/intermediaries are reasonable and justifiable in relation to the services rendered.
- (c) Payment will only be paid to the appointed agents/intermediaries and not to another third-party organisation or individual.
- (d) Agents/intermediaries are made aware of and understand the CoBEC and this ABC Policy and that they will comply accordingly.
- (e) Lion Group will have the right to terminate the Agents/Intermediary's agreement if the agents/intermediary have acted in a manner inconsistent with the provisions of this ABC Policy.

9.5 DEALING WITH PUBLIC OFFICIALS

In general, all Personnel are to ensure that the Gift, Entertainment, Hospitality and Travel provided to the Public Officials is not excessive nor lavish, and commensurate with the official designation of the Public Officials and not in their personal capacity.

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The following policies and guidelines set out the general conduct and behaviour of Personnel in respect of Gift, Entertainment, Hospitality and Travel in discharging their functions and duties:

- (i) CoBEC (Section 19A – Part C on Corruption and Prohibited Practices)
- (ii) Employee Code of Conduct (Section 19B – Clause 8 on Gifts and Entertainment)

All Personnel are prohibited from paying for non-business travel and hospitality for any government official or his/her family member/household members without prior approval from Group Chairman Office.

10.0 FINANCIAL AND NON-FINANCIAL CONTROLS

Lion Group has already in place the financial and non-financial controls to address various business processes and payments to Business Associates. Some of the key controls that must be strictly complied with and enforced are:

10.1 Financial Controls

- (a) Authority Limit Charts (“ALC”)

The authorisation of expenditure and payment is governed by ALC stated in the Group General Procedure (GGP-GMA-001). All ALC will be approved by Group Chairman Office for implementation and compliance by all operating companies. The authority matrix outlines the decision areas, documents for approval and assigned personnel empowered to authorise and approve the documents with their respective prescribed limits. Segregation of duties is in place whereby the approving process involves different level and/or departmental function throughout the key decision areas.

- (b) Bank Signatories & Signing Limits

The Group General Procedure (GGP-GMA-002) outlines the following key controls:

- (i) All bank accounts to be jointly operated by at least 2 authorised signatories; and
- (ii) Different levels of signing limits are assigned to the signatories according to their seniority.

Apart from the above, any request for opening of new bank account, closing of account and revision of authorised signatories/signing limits are subject to the approval by Group Chairman Office with checks by several Head Office Functions. The bank accounts information is centrally controlled and maintained in the Lion’s Head Office bank signatory system.

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(c) Payment for Completed Works/Services/Supplies

Payment can only be made to the contracting party and not any other third party or individual. Proper segregation of duties, verification, authorisation, approval and supporting documents must be in place in the following processes before payment can be made:

- (i) Approved Purchase Order/Agreement/Contracts,
- (ii) Certified work done, services rendered or goods of the right specifications/quality are received by the company; and
- (iii) Valid and original invoices from the Business Associates with quantity and unit price reconciled and matched to (i) and (ii) above via system or manual control.

10.2 Non-Financial Controls

(a) Pre-qualification process

A pre-qualification and approval process are in place to evaluate the potential Business Associates in terms of their capacity to undertake the work, company/directors/shareholders' background, potential conflicts of interest and the risk/likelihood of their participation in unethical business practices/corruption such as forming a cartel to inflate and fix the prices.

This due diligence should be undertaken prior to entering into a contract with the Business Associates. The scope and extent of the due diligence required will vary depending on the circumstances/nature of each transaction, any red flag identified, the result of the risk assessment process and audit issues highlighted by Group Management Audit.

The documents/forms on pre-qualification and related process are set out in **APPENDIX 2** annexed to this ABC Policy.

(b) Fair competitive process

A fair competitive process is in place where several qualified Business Associates are invited to compete on price, terms, technical, delivery and quality aspects. A minimum number of pre-qualified Business Associates invited to quote or tender must be established in order to reduce the risk of corruption or forming a cartel among them. In the event of non-compliance with the policy such as single source, sole source or less than minimum 3 quotations, exceptional approval by management must be obtained with proper written justifications. A Tender Committee/Board or Capital Expenditure ("CAPEX") Committee has also been established to oversee the procurement and tender process.

Lion Group is also expected to continuously explore and develop other potential sources of supply in the market in order to widen the existing pool of qualified Business Associates. In addition, the procurement process must also take into consideration the integrity of the tenders/quotations and other price sensitive information by restricting access to authorised personnel only such as sealed envelope and/or use of tender box under dual lock and key.

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- (c) Payments to be made to Business Associates are reasonable and proportionate to the work, services or supplies to be carried out.

Reasonable and proportionate steps are taken (such as via fair competitive process or benchmarking to the market) to ensure that we are not paying unusual or unexplained payment to the Business Associates which could possibly indicate a corrupt transaction. This is particularly important where there is a risk that the Business Associates may use part of the payment made to pay a bribe on behalf of or for the benefit of Lion Group. Some of the examples of potential **red flags or areas of high corruption risk** may include but are not limited to:

- (i) Unreasonable, unjustifiable or unsupported **variation orders**, extension of time, changes of specifications after tender, project payments.
- (ii) Operating company may be requested by the Business Associates to **appoint a preferred supplier nominated by the Business Associates** at higher than market price and/or without a valid business reason.
- (iii) Unusual high amount of **commission/fees** (e.g. beyond the market/norm) paid or given to the Business Associates.

11.0 RECRUITMENT OF EMPLOYEES

Lion Group, being a diversified business group, provides equal opportunity for any qualified and competent individual to be employed by Lion Group from multicultural and multiracial background, sourced from externally, locally and internationally, whilst the LPF scholarship programme builds a healthy pipeline of talent for the Group.

The recruitment of Employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of Employees. In line with this, more detailed background checks such as criminal, bankruptcy, financial (credit rating) and reference checks will be conducted when hiring Employees for management positions, as they would be tasked with decision making obligations.

All Employees are required to make self-declaration to the Human Resource Department on matters pertaining to conflict of interest, compliance and corruption. Please contact the Human Resource Department or the Group Human Resource Department if you require further clarification.

12.0 APPOINTMENT OF DIRECTORS

Directors who are not Employees of Lion Group are required to disclose on matters pertaining to conflict of interest, to the Group Secretarial Department when they are first appointed or as and when event occurs, in accordance with the Companies Act 2016 and the Listing Requirements.

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13.0 WHISTLEBLOWER POLICY

Lion Group encourages openness and transparency in its commitment to the highest standard of integrity and accountability.

If you make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken. In addition, Employees who whistleblow internally will also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

Further details can be found under the following policies:

- (a) Whistleblower Policy (Section 19C)
- (b) CoBEC (Section 19A – Part H on Duty to Disclose)
- (c) Employee Code of Conduct (Section 19B – Clause 22 on Whistleblowing)

Any alleged or suspected improper conduct must be disclosed using the procedures provided for in the Lion Group Whistleblower Policy, a copy of which is available from the Human Resource Department or Lion Group’s website at www.lion.com.my. Any person with a concern or complaint may submit their concern or complaint in writing to the Group Chief Internal Auditor of the Lion Group via telephone call, mail, or through emails as follows:

Tel no. : 603-2142 3142
 Email : whistleblower@lion.com.my
 Address : Level 22, Menara Hap Seng 3, Plaza Hap Seng,
 No. 1 Jalan P. Ramlee, 50250 Kuala Lumpur

14.0 RECORD-KEEPING

Lion Group must keep financial records with appropriate internal controls in place to substantiate the business reason for making payments to Business Associates. All accounts, invoices, documents and records relating to dealings with Business Associates must be prepared and maintained with accuracy and completeness. No accounts are to be kept “off-book” to facilitate or conceal improper payments.

All the relevant SOP must be properly maintained and regularly reviewed and updated for strict compliance and enforcement. In addition, all records pertaining to ABC Policy/Framework/Programme and Adequate Procedures related discussion, decision and activities must also be properly retained such as minutes of meeting.

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15.0 MANAGING AND IMPROVING ANTI-BRIBERY AND CORRUPTION FRAMEWORK

Lion Group will take continuous steps to review and improve the anti-bribery and corruption programme in order to ensure that the programme is adequate to manage the corruption risks and being implemented effectively. In respect of this ABC Policy, it will be reviewed at least once in every 3 years or as and when there is any change to the prevailing laws and regulations or operating environment of Lion Group.

(a) On-Going Review and Improvement

GRC Department to monitor and assess on an on-going basis whether the anti-bribery and corruption programme is:

- (i) adequate to manage effectively the corruption risks faced by Lion Group; and
- (ii) being implemented effectively.

In doing so, the GRC Department should take into account any weaknesses, deficiencies or recommendations for improvement in the programme which have been identified through Corruption Risk Management, Compliance Risk Assessment Questionnaire ("CRSA"), the reports from Group Management Audit/other Departments and the review of the Audit (& Risk Management) Committee ("AC/ARMC"). The GRC will provide a written report at regular interval to the AC/ARMC on the adequacy and implementation of the anti-bribery and corruption programmes.

(b) Periodic Audit

The GRC's on-going review will be assisted by Group Management Audit. Both functions will liaise with each other so as to ensure that their action plans are complementary and have wider scope of coverage particularly on areas of high corruption risk.

(c) AC/ARMC Review

The Board through the AC/ARMC will:

- (i) review regularly the GRC report, Group Management Audit report, Corruption Risk Management report and other relevant reports related to corruption risks; and
- (ii) ensure that appropriate actions are taken to:
 - rectify any weaknesses or deficiencies identified, and
 - implement appropriate improvements to the programme.

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16.0 COMMUNICATION AND TRAINING

Communication of ABC Policy and Programmes

The Group Chairman Office shall issue a written statement to all Personnel confirming the Board's commitment to this ABC Policy and programmes. Such statement and this ABC Policy shall be communicated to all Personnel and be published on the Lion Group's website. All Personnel are also required to sign a document that they have received, read and understood this ABC Policy and shall comply with it.

The communication of this ABC Policy and programmes to all stakeholders can be conducted in a variety of formats and mediums. These may include, but are not limited to:

- (i) messages on the Group's intranet or website;
- (ii) emails, newsletters, posters;
- (iii) code of business conduct and employee's handbooks;
- (iv) seminars or messages; and
- (v) town-hall sessions.

Training

Lion Group will provide appropriate anti-corruption training on a regular basis to all relevant Employees to make them aware of the types of corruption they could encounter, the risks of engaging in corrupt activities, this ABC Policy and procedures and the reporting channel. The training can be conducted in a variety of formats, which may include but not limited to:

- (i) induction programmes for new recruits featuring anti-corruption elements;
- (ii) refresher trainings/briefings for existing Employees;
- (iii) corporate training programmes, seminars, videos and in-house courses; and
- (iii) intranet or web-based learning programmes.

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APPENDIX 1

CONSEQUENCES OF NON-COMPLIANCE

The consequences generally come in two (2) forms, namely in the form of individual liability or corporate liability or both, depending on the specific circumstance of each of the acts. This means that not only would you be liable for your acts, but Lion Group would also be implicated.

Below are some examples of circumstances that may attract individual liability and corporate liability respectively:

(a) Individual liability of the Personnel

- Direct involvement – any individual who is directly involved in committing the act will be liable.
- Indirect involvement – an individual may be liable where he has used another person to act on his behalf.
- Having authority – an individual, in a position of authority, who has expressly authorised the act or knew of the act and either consented to it or turned a blind eye to it.
- Aiding and abetting – an individual may also be liable if he aids and abets the commission of the act or where he has somehow facilitated the commission of the act.

(b) Corporate liability of Lion Group

Lion Group may have to bear corporate liability in the following circumstances:

- Through the act of a Personnel – if a Personnel committed the act within the course of his employment (regardless of his position).
- Through the act of its Business Associates – if an individual or company has been appointed to act for or on Lion Group’s behalf and such act is committed within the course of that appointment.
- Turning a blind eye – where an individual in authority (such as the Senior Management of Lion Group) suspects the commission of an act in relation to a business transaction in which Lion Group is involved, but deliberately refrains from making further inquiries or taking preventive steps.

In the event you are suspected of any acts or behaviours that is tantamount to corruption, you may be subject to an internal investigation and disciplinary proceedings, if deemed necessary by Lion Group. Following internal investigation and depending on the outcome of the disciplinary proceedings, Lion Group is entitled to take disciplinary action or any other action deemed necessary against you.

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Corrupt acts will also give rise to the following risks and negative implications:

(a) Risks to you:

- Criminal liability, fine and imprisonment.
- Civil liability and payment of compensation.
- Damage to reputation.
- Loss of employment.
- Loss of membership with professional association(s) which you are affiliated with.

(b) Risks to Lion Group:

- Criminal liability and fine.
- Civil liability and payment of compensation.
- Damage to reputation.
- Loss of business.
- Loss of business goodwill.
- Financial loss.
- Potential revocation of business license.
- Disqualification from obtaining projects or any other future business opportunities.

In the event any Personnel are convicted for any corruption offences, the following are the relevant punishments under the applicable laws:

(a) Under the MACC Act

- The punishments for corruption offences under the MACC Act for general corruption offences, include the following:
 - imprisonment for a term not exceeding twenty (20) years; and
 - a fine of not less than five (5) times the sum or value of the gratification which is the subject matter of the offence or Ringgit Malaysia Ten Thousand (RM10,000.00) only, whichever is the higher.
- For offences giving rise to corporate liability:
 - the punishments would also include the following:
 - ✓ imprisonment for a term not exceeding twenty (20) years; or
 - ✓ a fine of not less than ten (10) times the sum or value of the gratification which is the subject matter of the offence or Ringgit Malaysia One Million (RM1,000,000.00) only, whichever is the higher; or
 - ✓ both.
 - a person:
 - ✓ who is its director, officer or partner; or
 - ✓ who is involved in the management of its affairs,

at the time of the commission of the offence, is deemed to have committed the offence unless this presumption can be rebutted by proving that such person has not consented to the commission of the corrupt act and has taken steps to prevent the same.

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(b) Under the Penal Code

- The punishments for corruption offences under the Penal Code include the following:
 - imprisonment for terms ranging from one (1) year up to seven (7) years; or
 - fine; or
 - both.

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APPENDIX 2

PRE-QUALIFICATION PROCESS

A pre-qualification and approval processes are in place to evaluate the potential Business Associates. This due diligence should be undertaken prior to entering into a contract with the Business Associates. The scope and extent of the due diligence required will vary depending on the circumstances/nature of each transaction, any red flag identified and the result of the risk assessment process.

A. Instruction Note : ABC Risk Assessment Form And Due Diligence Checklist

Anti-Bribery & Corruption (ABC) Risk Assessment Form And Due Diligence Checklist



The Prime Minister's Department has published the [Guidelines on Adequate Procedures](#) on 4 December 2018 in pursuant to Subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act.

This ABC Risk Assessment Form and Due Diligence Template is designed with key questions any organisation/ department will want to consider in order to:

- Better understand and articulate the threat;
- Establish the risks faced; and
- Assess the organisation's capacity to manage and mitigate that risk.

The risk management process and related activities performed shall be governed by a specific SOP. This procedure shall be referred to by all departments to ensure consistency in the implementation of the ABC Policy by the organization.

INSTRUCTION NOTE

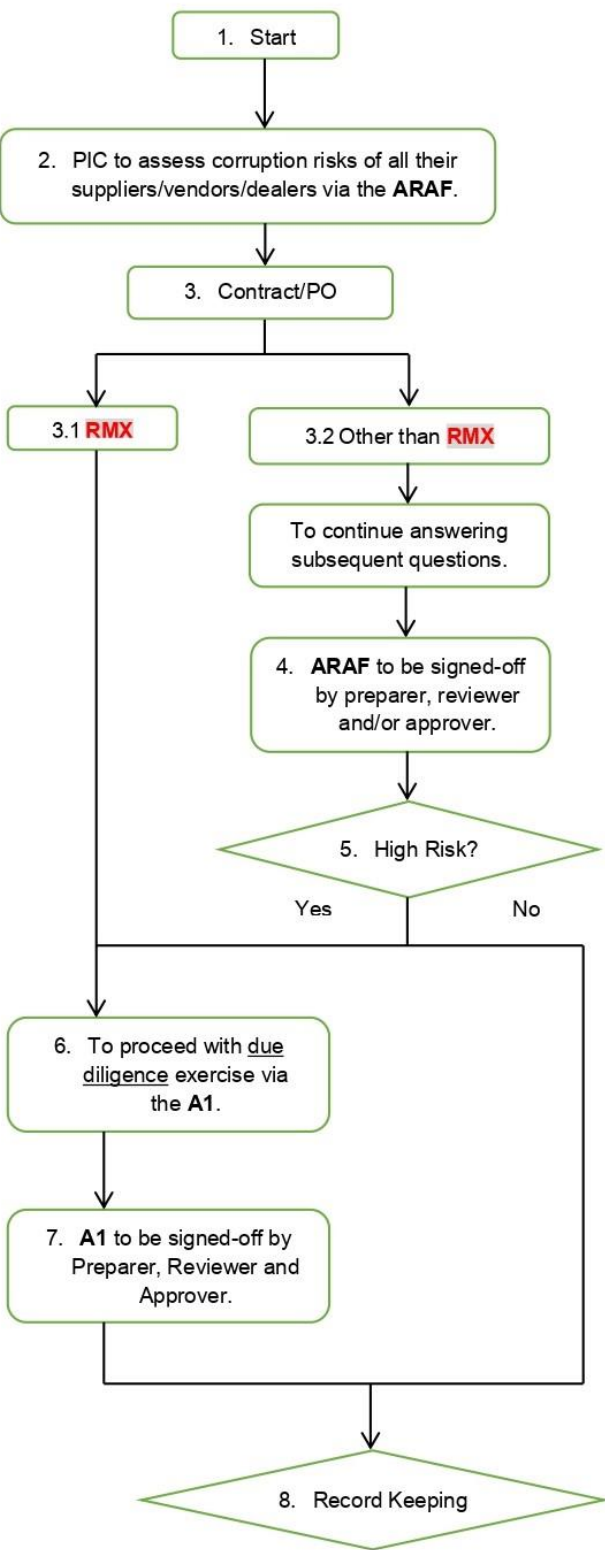
(A) Procurement of Goods & Services

1. Heads of Company / Heads of Department via either respective department / team or any officer who undertakes procurement activities or function in absence of a properly established procurement department, to forward a copy of this template to all **active** suppliers/vendors/dealers including intermediaries (if any) and **prospective** suppliers/vendors/dealers including intermediaries.
2. This process is also applied to any other suppliers/vendors/dealers including intermediaries with whom the transaction may be a one-off engagement (or the nature of purchase is non-trade) but the value of purchase is high.
3. Person-in-Charge (PIC) to **complete** and **to keep the signed copy** of the **ABC Risk Assessment Form (ARAF)**.
4. For "High" risk cases – **mandatory to perform detailed due diligence exercise** by completing the **ABC Due Diligence Checklist – Procurement (A1)**.
5. Upon receipt, the PIC to keep the signed copies of both **ARAF** and **A1** in the Vendor Management File or related filing mechanism etc. for review and audit purposes.
6. The approved suppliers/vendors/dealers will be reviewed at least once in every 3 years and/or when a need arises. All new potential orders **must** be supported by **ARAF** and further **A1** for those suppliers/vendors/dealers classified as "High Risk" prior to issuance of Purchase Orders.

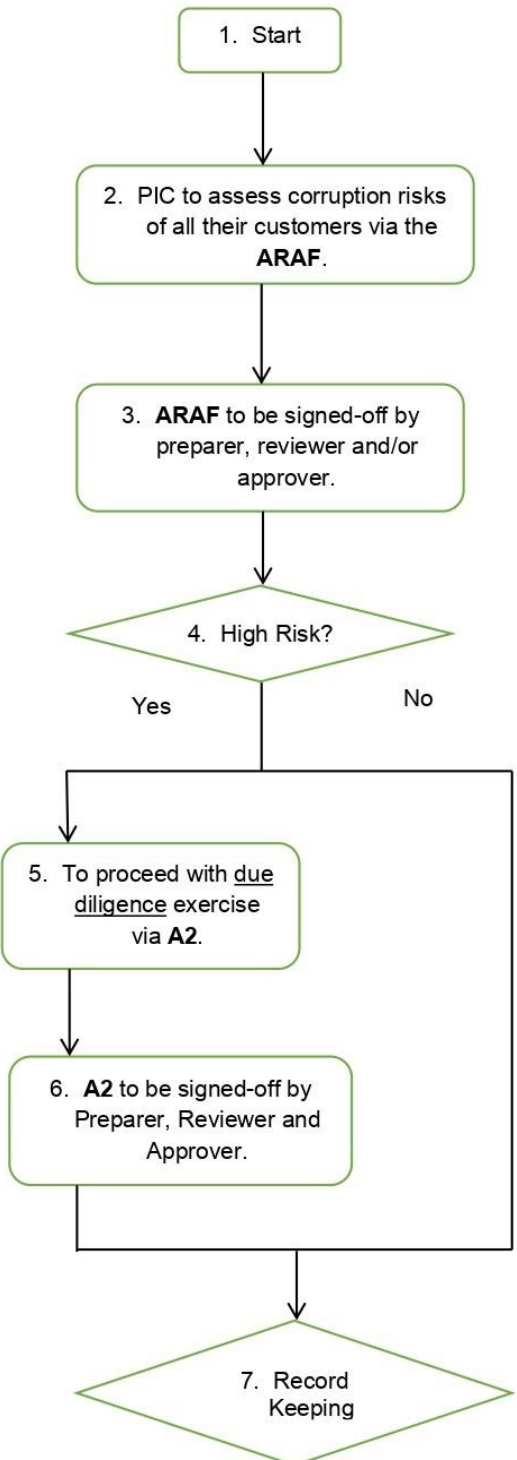
(B) Sale of Goods & Services

1. For sales activities, the respective department / team or any officer who undertakes the activities or function (not applicable for retail division), to forward a copy of this template to either their **active** or **prospective** customers.
2. With exception of "High" risk cases – **mandatory to perform detailed due diligence exercise** by completing the **ABC Due Diligence Checklist – Sales (A2)**, similar processes to be adopted as per (A) above.

(A) PROCESS FLOW FOR ABC RISK ASSESSMENT & DUE DILIGENCE – PROCUREMENT OF GOODS & SERVICES


Narration	Process Flow
<p>1. Commencement of <u>risk assessment</u> exercise for all new potential or prospective contract/Purchase Order (PO).</p> <p><u>General:</u></p> <p>2. PIC to conduct <u>risk assessment</u> for new potential or prospective contract/PO via ABC Risk Assessment Form (ARAF) based on 2 main criteria (quantitative/qualitative).</p> <p><u>Risk Assessment:</u></p> <p>3.1 Value of potential or prospective contract or PO for supplier/vendor/dealer exceeding RMX is rated as High Risk hence to proceed for <u>due diligence</u> exercise.</p> <p>3.2 Value of potential or prospective contract or PO for supplier/vendor/dealer other than above to answer other questions.</p> <p><u>Declaration & Sign-off:</u></p> <p>4. For ARAF, PIC to prepare, Head of Department (HOD) to review and approve.</p> <p><u>Evaluation:</u></p> <p>5. New potential or prospective contract/PO is assessed if they qualify as High Risk.</p> <p><u>Due Diligence:</u></p> <p>6. Once completed, PIC must proceed to perform <u>due diligence</u> exercise via the ABC Due Diligence Checklist - Procurement (A1) if any response to the question is Yes.</p> <p><u>Declaration & Sign-off:</u></p> <p>7. For A1, PIC to prepare, HOD to review and subsequently to be approved/declined by the Head of Business/Company.</p> <p><u>Record Keeping:</u></p> <p>8. Both the signed copies of ARAF & A1 to be kept for review & audit purposes.</p>	 <pre> graph TD Start([1. Start]) --> Step2[2. PIC to assess corruption risks of all their suppliers/vendors/dealers via the ARAF.] Step2 --> Step3[3. Contract/PO] Step3 --> Step3_1[3.1 RMX] Step3 --> Step3_2[3.2 Other than RMX] Step3_2 --> Step3_2a[To continue answering subsequent questions.] Step3_2a --> Step4[4. ARAF to be signed-off by preparer, reviewer and/or approver.] Step4 --> Step5{5. High Risk?} Step5 -- Yes --> Step6[6. To proceed with due diligence exercise via the A1.] Step5 -- No --> Step8{8. Record Keeping} Step6 --> Step7[7. A1 to be signed-off by Preparer, Reviewer and Approver.] Step7 --> Step8 </pre>

(B) PROCESS FLOW FOR ABC RISK ASSESSMENT & DUE DILIGENCE – SALE OF GOODS & SERVICES


Narration	Process Flow
<p>1. Commencement of <u>risk assessment</u> exercise for all potential or prospective new contract/ Sales Order (SO).</p> <p><u>General:</u> 2. PIC to conduct <u>risk assessment</u> for new potential or prospective contract/SO via ABC Risk Assessment Form (ARAF) based on qualitative criteria.</p> <p><u>Declaration Statement:</u> 3. For ARAF, PIC to prepare, Head of Department (HOD) to review and approve.</p> <p><u>Evaluation:</u> 4. New potential or prospective contract/SO is assessed if they qualify as High Risk.</p> <p><u>Due Diligence:</u> 5. Once completed, PIC must proceed to perform <u>due diligence</u> exercise via the ABC Due Diligence Checklist - Sales (A2) if any response to the question is Yes.</p> <p><u>Declaration Statement:</u> 6. For A2, PIC to prepare, HOD to review and subsequently to be approved/declined by the Head of Business/Company.</p> <p><u>Record Keeping:</u> 7. Both the signed copies of ARAF & A2 to be kept for review & audit purposes.</p>	 <pre> graph TD Start([1. Start]) --> ARAF[2. PIC to assess corruption risks of all their customers via the ARAF.] ARAF --> SignOff[3. ARAF to be signed-off by preparer, reviewer and/or approver.] SignOff --> HighRisk{4. High Risk?} HighRisk -- Yes --> DueDiligence[5. To proceed with due diligence exercise via A2.] HighRisk -- No --> SignOffA2[6. A2 to be signed-off by Preparer, Reviewer and Approver.] DueDiligence --> SignOffA2 SignOffA2 --> RecordKeeping{7. Record Keeping} </pre>

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B. ABC Risk Assessment Form

ABC RISK ASSESSMENT FORM		
Name of Company:		
Contact Person / Number:		
PR No. / Ref. No.:		
<p><i>This form is intended to assist in identifying and assessing the level of corruption risks exposure to the organisation in the course of business. Any response of Yes is to be classified as High Risk and compulsory to complete ABC Due Diligence Checklist.</i></p> <p style="text-align: center;">Consider each question and insert the answer in the right-hand column.</p> <p style="text-align: center;">Answer the question by inserting Yes OR No</p>		
		Yes/No
A. PROCUREMENT OF GOODS OR SERVICES		
1. Value of the contract / Purchase Order (PO)		
1.1	Aggregate value of more than:	
	(i) High Risk - > RM X per PO / contract / month / quarter / others (please choose one).	Yes - Proceed to answer Due Diligence Checklist
	(ii) Non-high Risk - < RM X per PO / contract / month / quarter / others (please choose one).	
2. Company Background		
2.1	Lack of relevant experience and track records.	
2.2	Sole proprietor or trading company without the required resources to undertake the jobs / services.	
2.3	Dealings with subcontractors for the awarded job.	
3. Interaction / Connection with Public / Government Officials or Entities		
3.1	Direct dealings / interaction with government officials (including customs officials), governmental agencies / government-controlled entities OR previously work for related government authorities / agencies.	
3.2	Due to nature of this job /service, the business associates are likely or expected to interact with Public / Government Officials or Entities in the course of the performance of this job / service.	
4. History of Past Business Dealing with Lion Group		
4.1	Past projects from business associates (e.g. property development project, capital expenditure) with frequent issuance of variation orders, extension of time, changes of specifications after tender, project payments etc.	
4.2	Other related issues associated with claims, rejects, delay/late in shipment, quality issue etc.	
5. Basis of the recommendation for award of contract / issuance of PO (respective OC to determine own limit) :		
5.1	Is the job / service awarded in the following circumstances:	
	(i) single source of supplier / vendor.	
	(ii) direct negotiation due to urgent purchases etc.	
	(iii) repeated orders to the same supplier/ vendor at higher price.	
6. Fee Structure and Method of Payment		
6.1	The payment:	
	(i) to be based on performance, e.g. success fee basis, bonus fees and other contingency fees?	
	(ii) take the form of indirect payment, e.g. payment to non-contracting party or individual?	
B. SALE OF GOODS OR SERVICES (Not Applicable for Retail Division)		
7. Selling Price, Discount or Rebate Structure		
7.1	The selling price, discount, rebate, incentive scheme/ structure or volume allocation given to the customer(s) is not comparable to other customer(s) for the same or substantially similar level of sales volume or within the same customer tier.	
8. Appointment of Sales Agent / Representative (If Any)		
8.1	Any agent or intermediary appointed/authorized to act for or on behalf of or representing our company to secure sales.	
9. Compensation Structure and Method of Payment		
9.1	Any payment in the form of indirect payment such as payment to non-contracting party or individual (at customer's request).	
<p>Declaration Statement</p> <p><i>We confirm that the statement and declaration as described above has been complied with and the information provided therein fairly reflects the position of the organization for the period under review.</i></p> <p>Input by Person-In-Charge/Manager: _____</p> <p style="text-align: right;">Reviewed by Head of Department: _____</p> <p>Name: _____ Date: _____</p> <p style="text-align: right;">Name: _____ Date: _____</p>		

C. ABC Due Diligence Checklist – Procurement



ABC Due Diligence Checklist - Procurement

This questionnaire and checklist is intended to assist the user in conducting due diligence pertaining to bribery & corruption risk on business associates such as supplier/vendor/dealer including intermediaries (if any). Prior to appointing the business associate, the Person-In-Charge/Manager should also complete this document for assessment and approval:

A. Business Associate Contact Information

Company name:	
Contact person:	
Phone/e-mail:	
Description of services/products provided:	

B. Background Information

1. Where is the company headquarters located?

2. Is the company owned/controlled by a Parent Co.?
 Yes No
 Name : _____

3. How many employees does the company have? (Approximate)

4. How long has the company been in business?

5. Is the service provider known to the Firm or employee of the Firm?
 Yes No
 If yes, please name the individual(s) and describe any prior experience each had with the service provider:

6. Others:

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ABC Due Diligence Checklist - Procurement



C. Procurement of Goods or Services

i. Competitiveness of Contract Value

Objective: To determine the reasonableness or competitiveness of the price or fees that includes whether conflict of interest exists to either inflate the price or select the preferred business associate.

- (a) Are the fees paid commensurate with the goods delivered or services performed?
(e.g. no significant variation from market price, benchmark (internal cost estimate), conducted pre-qualification & fair competitive process as stated in the ABC Policy etc.)

Yes No

If yes, please advise the basis.

If no, please provide solid reason and justification as any unjustifiable portion of the fees will likely be construed as corruption payment:

- (b) Is competitive bidding process being carried out via due processes such as price comparison with minimum 3 quotations, sealed envelope through tender process etc to determine the reasonableness or competitiveness of the fees/ price?

Yes No

If yes, please answer (c) in the next question.

If no, please provide solid reason and justification as this deviation is considered as exception to the policy & procedures:

- (c) Is there any conflict of interest (i.e. common shareholders/directors/owners) among the bidders/parties invited to bid/quote?

Yes No

If yes, the business associate should not be engaged as an act of dishonesty exists.

If no, who is the internal personnel who verified this (please provide name and designation)

ii. Status and Resources Needed

Objective: Establish whether the business associate to be contracted with has the qualifications, experience and resources needed. This helps reduce the risk that the business associate is a sham company set up for corrupt purposes or is being put forward to undertake services for corrupt reasons when it does not have the capability to provide such services.

- (a) Is the business associate sub-contracting out all / partial of the work to 3rd party or being an agent or intermediary?

Yes No

If yes, please provide explanation as required by Section 9.4 of the ABC Policy:

- (b) Does the business associate have the required qualifications (e.g. certification), experience (e.g. past projects), resources (e.g. own manpower, equipment, factory) and/or financials (e.g. paid-up capital etc.) needed to conduct the business for which it is being contracted?

Yes No

If no, please provide reasons and justifications:

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ABC Due Diligence Checklist - Procurement



iii. Reputation and Track Record

Objective: Establish whether the business associate to be contracted with has a reputation for corruption or similar criminal conduct, or has been investigated, convicted, sanctioned or debarred for corruption or similar criminal conduct.

- (a) Is the business associate/organisation, directors, and senior management team free from investigation, conviction, sanction or debarred for corruption or similar criminal conduct.

Yes No

If no, please seriously reconsider the appointment of the business associate:

** Mandatory for Vendor Letter of Declaration ("VLOD") to support the appointment of the business associate. Screening can be conducted via trade references or internet search of the name of the business associate, directors and/or key owners/shareholders for suspicious corruption and related activities.*

Remarks (if screening is done): _____

iv. ABC Readiness and Controls

Objective: Establish whether and to what extent the business associate to be contracted with is taking adequate steps within its own organisation to prevent bribery & corruption.

- (a) Does the local business associate have any written Anti-Bribery and Corruption (ABC) policy in compliance with MACC Act or similar foreign corruption law?

Yes No

If no, please explain how the business associate addresses its corruption risk:

- (b) If yes from iv (a) above, obtain copy from the business associate or their business website as supporting document

Remarks: _____

D. Review and Validation

- 1) What methods to verify the provided information? (Choose all that apply)

- | | | |
|--|--|---|
| <input type="checkbox"/> Public Disclosure | <input type="checkbox"/> Credit/Background Check | <input type="checkbox"/> Personal Referral |
| <input type="checkbox"/> Business Plan | <input type="checkbox"/> Media/News Reports | <input type="checkbox"/> Marketing Materials |
| <input type="checkbox"/> Policies & Procedures Manual(s) | <input type="checkbox"/> Personal Interviews | <input type="checkbox"/> Entity Formation Documents |
| <input type="checkbox"/> Financials | <input type="checkbox"/> Onsite Inspection | <input type="checkbox"/> Sales Materials |
| <input type="checkbox"/> Internet Research | <input type="checkbox"/> Independent Research | |

Other: _____

- 2) Does the company maintain evidence of all the above information (i.e. copies of documents reviewed; notes from personal interviews and onsite inspections; printouts from public disclosure sites etc.)?

Yes No

If yes, please identify where this evidence is maintained and by who:

Note: Retaining proper documents and records is required by Lion Group's ABC Policy.

Remarks: _____

ABC Due Diligence Checklist - Procurement



E. Conclusions	
Assessment / highlights:	

Recommendation by PIC and HOD
 Recommend to appoint Rejected

Decision / Approval:
 Approved to appoint Rejected

Declaration Statement

We confirm that the statement and declaration as described above has been complied with and the information provided therein fairly reflects the facts of the business associate.

Input by Person-In-Charge/Manager:

Reviewed by Head of Department:



 Name:
 Date:

 Name:
 Date:

Approved by Head of Business/Company:

 Name:
 Date:

D. ABC Due Diligence Checklist – Sales

This questionnaire and checklist is intended to assist the user in conducting due diligence pertaining to bribery & corruption risk on business associates such as customers including intermediaries (if any). Prior to appointing the business associate, the Person-In-Charge/Manager should also complete this document for assessment and approval:

A. Business Associate Contact Information

Company name:	
Contact person:	
Phone/e-mail:	
Description of services/products provided:	

B. Background Information

1. Where is the company headquarters located?

2. Is the company owned/controlled by a Parent Co.?
 Yes No
 Name : _____

3. What is the expected monthly sales?

4. How long has the company been in business?

5. Is the service provider known to the Firm or employee of the Firm?
 Yes No
 If yes, please name the individual(s) and describe any prior experience each had with the service provider:
 Purpose: _____

C. Sale of Goods or Services (Not Applicable to Retail Division)

Question 1
Objective: To highlight any deviated selling price, discount, rebate, incentive scheme/ structure or volume allocation from the initially approved price/ discount/ rebate/ incentive or volume allocation.

Selling price, discount, rebate, incentive scheme/ structure or volume allocation etc. given to the customer(s) is **not** comparable to other customer(s) for the same or substantially similar level of sales volume or within the same customer tier.

Yes No

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If yes, please provide reasons and justification on such deviation:

Question 2
Objective: Assess whether the fees structure and method of payments for sales proceeds involve element of indirect payment.

Any payment in the form of indirect payment such as payment to non-contracting party or individual (at customer's request)?
Yes No

If yes, please provide reason and justification on such fees structure or payments method:

Question 3
Objective: To determine whether there is a valid case to appoint sales agents or representative and the fees payable is reasonable, justifiable and competitive.

Any agent or intermediary appointed/ authorised to act for or on behalf of or representing our company to secure sales.
Yes No

If yes, please provide explanation as required by 9.4 of ABC policy:

D. Review and Validation


- 1) What methods to verify the provided information? (Choose all that apply)
- | | | |
|--|--|---|
| <input type="checkbox"/> Public Disclosure | <input type="checkbox"/> Credit/Background Check | <input type="checkbox"/> Personal Referral |
| <input type="checkbox"/> Business Plan | <input type="checkbox"/> Media/News Reports | <input type="checkbox"/> Marketing Materials |
| <input type="checkbox"/> Policies & Procedures Manual(s) | <input type="checkbox"/> Personal Interviews | <input type="checkbox"/> Entity Formation Documents |
| <input type="checkbox"/> Financials | <input type="checkbox"/> Onsite Inspection | <input type="checkbox"/> Sales Materials |
| <input type="checkbox"/> Internet Research | <input type="checkbox"/> Independent Research | |
- Other: _____

2) Does the company maintain evidence of all the above information (i.e. copies of documents reviewed; notes from personal interviews and onsite inspections; printouts from public disclosure sites etc.)?
Yes No

If yes, please identify where this evidence is maintained:

3) Based on your review of the information, has the company and/or its principals been subject to any regulatory, criminal or civil disciplinary issues?
Yes No

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If yes, please describe:

4) After reviewing the information, are there any questionable issues or potential conflicts of interest?

Yes No

If yes, please describe:

E. Conclusions

Assessment / highlights:

Recommendation by PIC and HOD

Recommend to appoint Rejected

Decision / Approval:

Approved to appoint Rejected

Declaration Statement

We confirm that the statement and declaration as described above has been complied with and the information provided therein fairly reflects the position of the organization for the period under review.

Input by Person-In-Charge/Manager:

Reviewed by Head of Department:

 Name:
 Date:

 Name:
 Date:

Approved by Head of Business/Company:

 Name:
 Date: