

DUE DILIGENCE POLICY



1.0 Introduction

The Due Diligence Policy is established to ensure that thorough and comprehensive due diligence processes are consistently applied throughout the organization. The policy aims to mitigate risks, uphold legal and ethical standards, and make informed and responsible decisions when entering business relationships, partnerships, investments, or other significant transactions.

2.0 Definition of Due Diligence

Due diligence refers to the process of gathering relevant information, analysing, and assessing risks and opportunities associated with potential business dealings, acquisitions, partnerships, or investments. It involves a diligent and systematic review to make informed decisions and safeguard Pustaka's interests.

3.0 Scope

This policy applies to all employees and stakeholders involved in business transactions, acquisitions, partnerships, investments, and any other significant undertakings that may have a material impact on Pustaka.

4.0 Due Diligence Process

The policy outlines a standardized due diligence process that includes the following key steps:

- a) Identifying the purpose and objectives of the proposed transaction.
- b) Conducting a comprehensive risk assessment, considering legal, financial, operational, reputational, and compliance risks.
- c) Collecting and reviewing all relevant documents, records, and information.
- d) Engaging qualified experts, as necessary, to provide specialized insights and advice.
- e) Analysing and evaluating the gathered data to inform decision-making.
- f) Documenting the due diligence findings and conclusions.

5.0 Risk Management and Mitigation

The policy emphasizes the identification and mitigation of potential risks discovered during the due diligence process. Appropriate risk management strategies must be put in place before proceeding with any high-risk transactions or engagements.

6.0 Decision-making and Approval

Based on the due diligence findings, decisions must be made objectively and in the best interest of Pustaka. The policy specifies the authorities responsible for approving transactions and ensures that they have access to comprehensive due diligence reports.

7.0 Reporting and Documentation

A detailed and transparent due diligence report must be compiled, documenting all relevant information, findings, and risk assessments. This report should be retained as part of the organization's records for future reference and compliance purposes.

8.0 Training and Education

Regular training programs shall be conducted to equip employees involved in due diligence with the necessary knowledge and skills to effectively carry out the process and adhere to the policy guidelines.

9.0 Review and Compliance

The policy will be subject to annual review to ensure its effectiveness and relevance to changing business environments and regulations. Compliance with this policy is mandatory for all employees and stakeholders.

This Due Diligence Policy ensures that Pustaka conducts its business dealings prudently and responsibly, safeguarding its interests and maintaining the highest standards of ethical conduct and risk management.