

MMAG HOLDINGS BERHAD AND ITS SUBSIDIARIES

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

I. Introduction

MMAG HOLDINGS BERHAD (“the Company” or “MMAG”) and its subsidiaries (collectively referred to as the “Group”) conduct their businesses in an honest and ethical manner. The Group takes a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all relationships and business dealings wherever the Group operates and to implementing and enforcing effective system to counter bribery and corruption.

This Anti-Bribery and Anti-Corruption Policy (“Policy”) sets out the parameters to prevent the occurrence of bribery and corruption practices in relation to the businesses of the Group. This Policy is supplemental to, and shall read in conjunction with the Code of Conduct and Ethics of MMAG.

In line with Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendments (“MACCA”) and the Guidelines of Adequate Procedures by the Prime Minister’s Office, MMAG has developed and implemented a comprehensive set of measures to combat bribery and corruption of all forms related to MMAG’s operations.

Following steps have been taken by MMAG to address these risks:-

- (a) Implement an anti-bribery and anti-corruption policy;
- (b) Conduct regular corruption risk assessment on operations and review findings;
- (c) Implement training programs for all individual operating in areas of the organisation that are identified as high risk; and
- (d) Regular review and update to this Anti-Bribery and Anti-Corruption Policy.

II. Purpose

This Policy is to set out the responsibilities of MMAG, and of those working for MMAG, in observing and upholding MMAG’s position on bribery and corruption and provide information and guidance to those working for MMAG on how to recognise and deal with bribery and corruption issues.

III. Definition of Bribery and Corruption

According to Transparency International¹:-

- (a) “Bribery” is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, favors etc.).
- (b) “Corruption” is the abuse of entrusted power for private gain. Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.

IV. Scope

This Policy applies to all companies within the MMAG Group.

This includes all individual workings at all levels and grades, including Directors (means executive, non-executive, independent non-executive, non-independent non-executive and alternate director), senior managers, managers, officers, Employees (means employees recruited under basis of full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, volunteers, interns, agents, sponsors, suppliers, distributors, customers (actual and potential), joint ventures parties and any other person associated with us.

¹ Transparency International is an independent, non-governmental and organisation which is committed to fight against corruption. For more information on Transparency International, please visit <https://www.transparency.org/>.

V. Gifts, Entertainment and Hospitality

This Policy does not prohibit normal and appropriate business hospitality (given or received) to or from third parties, as long as it is reasonable, appropriate, modest and bona fide corporate hospitality.

All benefits (including gifts and entertainment) must be subject to the followings:-

- (a) It is not made with the intention of influencing the decision making of the other party;
- (b) It is not easily convertible into cash;
- (c) It is appropriate in the circumstances. For example, it is customary for small gifts to be given during festivals or business events;
- (d) It is of an appropriate type and value and given at an appropriate time, after taking into account the reason for the benefits; and
- (e) The giving out of the gift and hospitality must be done in an open and transparent manner.

VI. Local and Overseas Travel

Allowable if it is to promote business and not for tourism or any other private purposes. As far as possible, air tickets, accommodation, travel insurance shall be purchased by MMAG. Other associated costs such as entertainment, land transport must be stated in detail using the necessary forms and the necessary approval must be obtained before any payments can be made.

VII. Facilitation Payments

The Group adopts a strict stance that disallows facilitation payments. A “facilitation payment” is a payment received or made to a decision maker or an administrative staff (in either public or private sectors) to speed up a process or secure licenses/permits. Facilitation payments are illegal under the MACCA as it falls within the meaning of gratification or bribery.

Directors or Employees shall not promise or offer, or agree to give or offer, facilitation payments to an officer of any public body².

However, there could arise circumstances in which the Directors or Employees have no alternative but to make a facilitation payment in order to protect themselves from injury, loss of life or liberty. Any request for facilitation payment under such circumstances should be reported immediately to the superior or Head of Division/Department.

VIII. Political Contribution

MMAG does not make any form of charitable donations or contributions (whether direct or indirect) for whatsoever purposes to any political parties nor make gifts or provide honoraria of any kind to elective or appointive governmental officials. MMAG does not refrain its Employees from making such political contributions provided that it is done strictly in their personal capacity and without in any manner whatsoever hold themselves out to be making such political contributions for or on behalf of MMAG (whether direct or indirect). MMAG does not reimburse its Employee for such political contributions made, including all board members. For all political contributions made, each Employees and or board members concerned shall timely inform the directors and other board members.

All MMAG resources including but not limited (funds, services, properties, facilities, manpower) are not to be used nor contributed (whether directly or indirectly) to any political parties or political candidates standing for public office without the prior approval of and notice to the Executive Director (both at Country and Corporate level) as well as to all board members.

² Public Body as defined in Section 3 of Malaysia Anti-Corruption Commission Act 2009.

IX. Charitable Contribution

Contribution and donations to community projects or charities are acceptable (and indeed encouraged), whether of in-kind services, knowledge, time or direct financial contributions. However, Directors and Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the Head of Division/Department or CEO. The records of all charitable contributions shall be kept by the Head of Division/Department and Human Resources Department.

X. Procurement Process

MMAG had processes and adheres to the internal controls system around supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. When supplier selection is formal, structured invitation for the supply of goods and services (often called a “tender”), it is most important we maintain documentation supporting our internal controls.

Due diligence of new suppliers in supplier selection should include elements of corruption including bribery.

XI. Recruitment of Employees

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, proper background checks should be conducted in order to ensure that the potential Employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring Employees that would be responsible in management positions, as they would be tasked with decision-making obligations.

XII. Record-keeping

It is important that proper and complete records be maintained of all payments made to third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with accuracy and completeness.

Employees must declare all hospitality or gifts accepted or offered, and submit details to the person in-charge who is assigned by the respective Division/Department for recording into a register which will be subject to internal audit review. Employees must also ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are approved by the Head of Division/Department and must be specifically recorded the reason for such expenditure.

XIII. Compliance to the Law

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the Malaysian Anti-Corruption Commission Act 2009 (including any amendment thereof). The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

XIV Training and Communication

Continuous training will be provided to all levels of Employees on awareness and adherence to this policy.

Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, agents, business and other partners at the outset of our relationship with them and as appropriate thereafter.

XV Reporting of Violations of the Policy

Any Employee who knows of, or suspects, a violation of the Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the Group's Whistleblowing Policy. The provision, protection and procedure of the Whistleblowing Policy for reporting of the violations of the Policy are available on the MMAG website (www.mmag.com.my). No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.

XVI. Staff Declarations

All MMAG personnel shall certify in writing that they have read, understood and will abide by this policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the personnel's employment. A sample declaration can be found in the Appendix of this Policy.

The management reserves the right to request information regarding an Employee's assets in the event that the person is implicated in any bribery and corruption-related accusation or incident.

XVII. Monitoring and Review

All Employees are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

The Board will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.