



MGB BERHAD

Registration No. 200201021504 (589167-W)

ANTI-BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION

MGB Berhad (“**MGB**” or “**the Company**”) recognises the importance of establishing and upholding good corporate governance in its daily business operations in accordance with the highest ethical standards and in full compliance with all applicable laws, regulations and/or standards in all jurisdictions in which the Group operates.

The Company has at all material times adopt a zero tolerance approach against all forms of bribery and corruption within the Company and remains committed to comply with all laws and regulations which govern the Company’s business and operation to the highest standards of ethical conduct and integrity, professionally and fairly.

2. SCOPE

This policy is applicable to the MGB Personnel, its subsidiaries (“**MGB Group**” or “**the Group**”) and Business Associates acting on MGB Group’s behalf. Joint-venture companies and associated companies are encouraged to adopt these or similar principles.

3. DEFINITION

“**Audit Committee**” means the Audit Committee of MGB.

“**Board of Directors**” means the MGB Group’s Board of Directors.

“**Bribery & Corruption**” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (“**MACCA**”). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation.

Bribery may be ‘outbound’, where someone acting on behalf of MGB Group attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be ‘inbound’, where an external party is attempting to influence someone within the Company such as a senior decision-maker or someone with access to confidential information.

“**Business Associate**” means an external party with whom MGB Group has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

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“Conflict of Interest” means when a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making at MGB Group.

“Donation & Sponsorship” means charitable contributions and sponsorship payments made to support the community.

“Gratification” is defined in the MACCA to mean the following:

- (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability; whether in whole or in part;
- (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- (e) any forbearance to demand any money or money’s worth or valuable thing;
- (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

“Hospitality” means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as Company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa and golf course.

“Personnel” means Directors and all individuals directly contracted to the Company on an employment basis, including permanent, temporary employees and interns.

4. OBJECTIVE

This policy sets out MGB Group’s overall position in observing and upholding MGB Group’s stance against bribery and corruption in all its forms, as well as to provide guidance and information on the recognition of bribery and corruption and methods of dealing with such circumstances.

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5. ANTI-BRIBERY AND CORRUPTION POLICY

MGB Group prohibits all forms of bribery and corruption in relation to all its activities.

Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. MGB Personnel and its Business Associates shall not whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of the Group or the persons involved in the transaction.

The anti-bribery and corruption statement applies equally to its business dealings with commercial ('private sector') and Government ('public sector') entities, and includes their directors, officers, agents and other appointed representatives.

No employee or external party will suffer discrimination, demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

6. RECOGNITION OF RELEVANT LEGISLATION

MGB Group is committed to conduct its business ethically and in compliance with all applicable laws and regulations in each country and/or jurisdiction that it conducts its business in, including but not limited to MACCA, Malaysian Penal Code (revised 1977) (and its amendments) and the Companies Act 2016 (Malaysia) or such other applicable laws in each respective country and/or jurisdiction.

In cases where there is a conflict between mandatory law of each country and/or jurisdiction, and the principles contained in this policy herein, such law shall prevail.

7. GIFTS & HOSPITALITY

MGB Personnel are prohibited from receiving or asking for (soliciting) gifts from external parties. Under no circumstances may MGB Personnel accept gifts in the form of cash or cash equivalent, including gift certificates, loans, commissions, coupons, discounts or any other related forms.

There are exception whereby receiving and provisions of the gifts are permitted in the following situation:-

- a) Exchange of gifts or the corporate gifts of nominal / appropriate value at the company-to-company level (for example: gifts exchanged between companies as part of official visit);

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- b) Festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions;
- c) Gifts given to external organisations or individual in relation to company official function, work-related conferences, corporate events and activities (for example: door gifts or commemorative gifts to all that attending the events); and
- d) Corporate gifts bearing the Company's name and logo and are of nominal / appropriate value.

8. ENTERTAINMENT

It is a common practice within the business environment to provide entertainment to foster business relationship by providing reasonable and proportionate entertainment under appropriate circumstances. MGB Personnel may offer appropriate and proportionate entertainment that is legal and reasonable within the scope of their work as part of business networking as well as a measure of goodwill towards the recipients.

MGB Personnel is expected to always exercise proper care and good judgement when providing entertainment to external parties.

9. DONATION AND SPONSORSHIP

MGB Group may offer charitable donations and sponsorships provided that they are ethical and legal under applicable laws and not with the intention to influence any business decisions or cause others to perceive it as such.

10. CONFLICT OF INTEREST

Conflict of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company. All Personnel should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, Company's resources and assets, or information available to them for personal gain or to the Company's disadvantage.

11. RECRUITMENT AND PROMOTION

MGB Group recognises the value of integrity in its Personnel and Business Associates. The Company's recruitment, training, performance evaluation, remuneration, recognition and promotion for all MGB Personnel, including management, shall be designed and regularly updated to recognise integrity.

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12. STAFF DECLARATION

All MGB 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.

13. SYSTEMATIC REVIEW & MONITORING

MGB Group recognises that managing an anti-bribery and corruption programme is a continuous process, risk assessment and a systematic review and monitoring process is necessary to ensure its objectives are being met. The Audit Committee will be responsible for overseeing the process of reviewing the effectiveness and compliance to the anti-bribery and corruption programme and policy. The reviews may take the form of independent audits carried out by an external party, where necessary.

14. RECORD KEEPING

MGB Personnel must ensure that all expense claims relating to hospitality, gifts or expenses incurred to Business Associates and/or any person are submitted in accordance with the Company's applicable policy and specifically record the reason for such expenditure. MGB Personnel shall further ensure that all expense claims shall comply with the terms and conditions of this policy.

15. REPORTING OF POLICY VIOLATION

It is the responsibility of MGB Personnel to prevent, detect and/or report any bribery and other forms of corruption.

Suitable reporting channels have been established and maintained for receiving information regarding violations of this policy, and other matters of integrity provided in good faith by MGB Personnel and Business Associates and is provided for under the Whistleblowing Policy. For further details, the Whistleblowing Policy of MGB is available at the Company's corporate website, www.mgbgroup.com.my.

Reports made in good faith, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

Retaliation in any form against MGB Personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any MGB Personnel found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which MGB Group may pursue.

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16. TRAINING AND COMMUNICATION

MGB conducts awareness programmes for the Personnel to refresh awareness of anti-bribery and anti-corruption measures, and to continuously propagate integrity and ethics.

17. CONSEQUENCES OF NON-COMPLIANCE

MGB Group regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this policy. For MGB Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.

For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that MGB Group's interests have been harmed by the results on non-compliance by individuals and organisations.

18. REVIEW OF THE POLICY

This policy has been endorsed by the Board of Directors and is made available for reference on Company's corporate website and internal computer networking system.

It shall be reviewed by the Board of Directors and updated whenever necessary to ensure its effective implementation. Any subsequent amendments to this Policy should be approved by the Board of Directors upon recommendation by the Audit Committee.