



MGB BERHAD

Registration No. 200201021504 (589167-W)

ANTI-BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION

MGB Berhad (“**MGB**” or “**Company**”) and its subsidiaries (“**MGB Group**”) recognise 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.

MGB Group has at all material times adopt a zero-tolerance approach against all forms of bribery, corruption and money laundering within MGB Group and remains committed to strict compliance of all laws and regulations which govern MGB Group’s business and operation and to maintain the same at the highest standards of ethical conduct and integrity, professionally and fairly.

2. OBJECTIVE

The objectives of this Policy are amongst others, to set out MGB Group’s overall position in observing and upholding MGB Group’s stance against bribery, corruption and money laundering 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.

3. SCOPE

This policy applies to all Directors, employees (including employees on contract terms, temporary or short-term employees and employees on secondment) or third parties who have become aware of or are genuinely suspected on a reasonable belief to be an employee of MGB Group that has engaged, is engaged, is preparing to engage as well as our external stakeholders such as consultants contractors, distributors, independent contractors, licensees, manufacturers, primary producers and subcontractors to be committed for the conducts as stated below.

In accordance with MGB Group’s commitment to the best practices on this Policy, MGB Group also expect its external stakeholders to aspire to the same standards in their business operation.

4. 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, agreeing to give, receiving, agreeing to receive, 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 (“external party”). It may also be ‘**inbound**’, where an external party is attempting to influence someone within MGB Group which include but is not limited to 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.

“**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;

4. DEFINITION (CONT'D)

- (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 MGB Group’s 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, employees, staffs, and all individuals directly contracted to MGB Group on an employment basis, including permanent, temporary, contract employees and interns.

5. ANTI-BRIBERY AND CORRUPTION

MGB Group prohibits all forms of bribery, corruption and money laundering in connection with all its operations.

Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. MGB Group’s Personnel and its Business Associates shall not directly or indirectly, offer, give, receive or solicit any item, services or otherwise, 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 MGB Group or the persons or the organisation involved in the transaction.

The anti-bribery and corruption statement applies equally to MGB Group’s 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 even if such refusal resulted in losses for MGB’s Group.

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), Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFA) and the Companies Act 2016 (Malaysia) or such other applicable laws in each respective country and/or jurisdiction.

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

7. GIFTS & HOSPITALITY

MGB Group's Personnel are prohibited from receiving or asking for (soliciting) gifts and/or services in any form whatsoever from external parties or otherwise. MGB Group's Personnel is at all circumstances prohibited from accepting gifts in the form of cash or cash equivalent, including gift certificates, loans, commissions, coupons, discounts or any other related forms from any parties whatsoever.

There are exceptions 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);
- 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); or
- 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 Group's 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.

8. ENTERTAINMENT (CONT'D)

MGB Group's Personnel shall be guided by the following principles:

- a. without the intent to exert influence or perceived as capable of influencing judgement or business decisions, to offer rewards for the improper execution of responsibilities, or to obtain preferential treatment;
- b. the offering should not be extravagant or overly lavish, it should be aligned with the official designation of the recipient or to be proportionate to the occasion;
- c. is in accordance with the relevant laws and policies of both the giver and receiver;

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. Such charitable donations and sponsorships shall not be made in exchange for any business implications to MGB Group.

10. MONEY LAUNDERING AND TERRORISM FINANCING

An act of money laundering includes among others, engaging directly or indirectly in transactions involving proceeds from an unlawful activity, and conceals, disguises or impedes the establishment of the origin, location, movement or ownership of proceeds from an unlawful activity or instrumentalities of an offence.

An act of financing of terrorist acts include among others, dealing, provides or collects or make available directly or indirectly, any property that will be used to commit a terrorist act, providing or makes available financial services or facilities for the purpose of committing or facilitating the commission of terrorist act or enters into an arrangement that facilitates the acquisition, retention or control by or on behalf of another person of terrorist property by any means whatsoever.

MGB Group strictly prohibits any practices or dealings relating to money laundering and terrorism financing. MGB Group is committed to comply fully with all relevant anti-money laundering and criminal legislations and will only conduct business with reputable customers and business partners that are not involved in any way with any dealings act of money laundering and terrorism.

MGB Group will neither enter into nor tolerate any arrangement which facilitates or appears to be used to facilitate any acquisition, retention, use or control of any payment (monetary or otherwise) intended to be utilised to disguise the criminal activity or conceal criminal proceeds.

11. CONFLICT OF INTEREST

Conflict of interest arises in situations where MGB Group's Personnel's personal interests are interfering or are considered to have potential interference with their objectivity in performing duties or exercising judgment on behalf of MGB Group, and in general MGB Group's interest.

Conflict of interest may be actual, potential or perceived, and may involve financial gain or otherwise.

All Personnel must avoid situations in which personal interest could become conflicted with their professional obligations or duties. MGB Group's 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.

All MGB Group's Personnel are required to immediately declare and disclose any personal, professional or business interest that may be in conflict with that of MGB Group.

12. RECRUITMENT AND PROMOTION

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

Staff recruitment will adhere to approved selection criteria to guarantee the hiring of the most qualified and suitable individuals. This is essential to prevent any potential involvement of corruption in the staff hiring process. Consequently, thorough background checks will be carried out to verify that prospective staff members have not been convicted or accused of participating in any bribery or corruption cases, whether at the national or international level.

13. STAFF DECLARATION

All MGB Group's 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 such Personnel's employment.

14. 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.

15. RECORD KEEPING

MGB Group's 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 MGB Group's applicable policy and specifically record the reason for such expenditure. MGB Group's Personnel shall further ensure that all expense claims shall comply with the terms and conditions of this policy.

16. REPORTING OF POLICY VIOLATION

It is the responsibility of MGB Group's 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 Group's Personnel and Business Associates and is provided for under the Whistle Blowing Policy. For further details, the Whistle Blowing 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 Group's Personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any MGB Group's 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.

17. TRAINING AND COMMUNICATION

MGB Group shall periodically conducts awareness programmes for the MGB Group's Personnel, whenever necessary, to refresh awareness of anti-bribery and anti-corruption measures, and to continuously propagate integrity and ethics.

18. CONSEQUENCES OF NON-COMPLIANCE

MGB Group regards bribery, acts of corruption and money laundering as serious matters and will apply penalties in the event of non-compliance to this Policy. For MGB Group Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment and potential legal actions against such Personnel in the interest of MGB Group.

18. CONSEQUENCES OF NON-COMPLIANCE (CONT'D)

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.

MGB Group will provide full cooperation to the authorities in the event any MGB Group's Personnel or external parties are subjected to any investigations or charges in relation to any act of bribery, corruption and money laundering and/or terrorism financing.

19. REVIEW OF THE POLICY

This Policy has been approved by the Board and is available to all employees in the MGB's corporate website and internal computer networking system. This Policy is also available for viewing by other stakeholders and the public in the MGB's corporate website.

This Policy shall be reviewed by the Board once in every two years and be updated to align with the most current and relevant laws and regulations whenever necessary to ensure its effective implementation. Any subsequent amendments to the Policy shall be approved by the Board.
