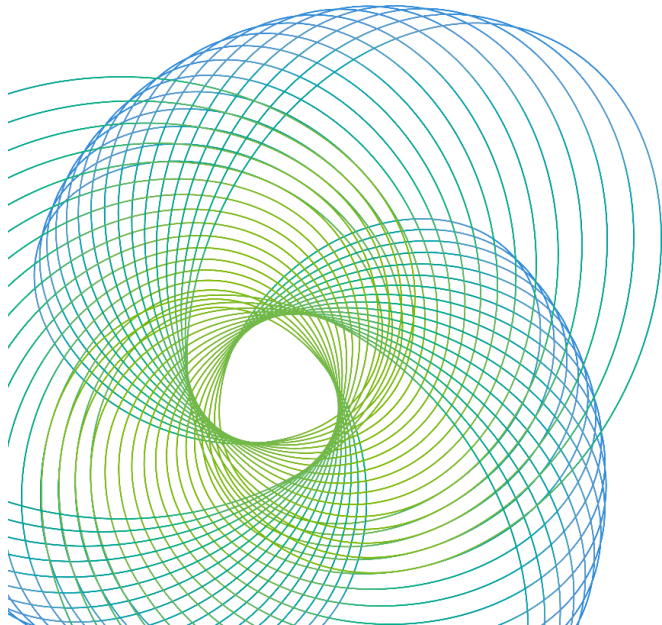




MCB GROUP ANTI-BRIBERY POLICY

MCCR1-03 / Rev. 01 / 2020



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**Enhancing Life,
Enriching Communities.**

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1.0 Purpose



MCB Group Anti-Bribery Policy (“the Policy”) shall serve as the basis¹ to establish, implement, maintain, review and improve an anti-bribery system in the organisation, in line with the Malaysian Anti-Corruption Commission (“MACC”) Amendment Act 2018 (“the 2018 Act²”) which requires commercial organizations to establish adequate procedures as a defense against corporate liability.

Maintaining a workplace culture with strong ethics and integrity is part of a competent governance framework and is fundamental to good organisational performance towards creating a business environment that is fair, transparent and free from bribery. This principle is embedded in the Company’s core values as follows: Integrity, Innovation, Teamwork, Excellence and Harmony.

The Policy shall be read together with other relevant policies, guidelines and procedures that are in place in the organization, and it seeks to ensure that the employees, businesses and parties acting for and on behalf of the Company shall comply with the applicable provisions of this Policy.

2.0 Scope



The Policy is applicable to all MCB Group’s employees, contractors, vendors, agents or persons or companies engaged by MCB or for any business-related activity or relationship, whether formally or informally. Joint-venture companies in which MCB is a non-controlling member and associated companies are encouraged to adopt the Policy or ensure that similar principles and standards are in place³.

¹ “a foundation” changed to “the basis”

² “the Act” changed to “the 2018 Act”

³ Added sentence.



3.0 Policy Statement

MCB Group is committed to upholding the highest standards of ethical conduct, integrity and accountability in all our business activities and operations. MCB Group has a zero-tolerance policy towards any form of bribery by, or of, its employees or any persons or companies acting for or on behalf of MCB Group. The Policy applies throughout MCB and reflects our commitment to fight any corrupt and unethical practices while conducting business in the jurisdictions where we operate.

The Board of Directors and Senior Management⁴ are committed to implementing and enforcing effective and robust policies and procedures to prevent, monitor and eliminate bribery, and to continually improve MCB Group's Anti-Bribery Management System ("ABMS")⁵.

An Integrity & Governance Unit⁶ under the Risk Management & Integrity Department⁷ is established with the responsibility to oversee the implementation of the Policy, with direct access to the Board of Directors and Management on issues concerning bribery.

Employees and any parties acting for or on behalf of MCB Group are strictly prohibited from directly or indirectly soliciting, accepting or offering bribes in relation to MCB Group's activities, businesses, dealings and/or operations⁸. Employees across MCB Group are required to strictly observe the Policy and uphold MCB Group's principle of⁹ zero-tolerance towards bribery.

MCB Group has implemented a Whistle-blowing Policy to enable all employees and members of the public to make reports on any alleged or suspected¹⁰ improper conduct within MCB Group.

⁴ "Top Management" changed to "Senior Management"

⁵ Added the abbreviation "ABMS"

⁶ "An Integrity Unit" changed to "An Integrity & Governance Unit".

⁷ "Risk Management Department" changed to "Risk Management & Integrity Department"

⁸ "MCB Group's businesses and operations" changed to "MCB Group's activities, businesses, dealings and/or operations"

⁹ Added "principles of"

¹⁰ Added "or suspected"

4.0 Abbreviations, Terms and Definitions

Abbreviation / Term	Definition
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">△ 1</div> <div style="margin-right: 10px;">△ 1</div> <div style="margin-right: 10px;">△ 1</div> </div> 2018 Act ¹¹	Malaysian Anti-Corruption Commission (“MACC”) Amendment Act 2018
ABMS ¹²	Anti-Bribery Management System
Bribery	Offences relating to gratification under the MACC Act 2009 ¹³ .
Disciplinary Offence	Any action or omission which constitutes a breach of discipline in the Company as provided by law or the Company’s code of conduct, code of ethics, policies and/or a contract of employment.
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">△ 1</div> </div> Governing Body	Board of Directors and Board Risk & Investment Committee.
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">△ 1</div> </div> Gratification	As defined in the MACC Act: ¹⁴ <ul style="list-style-type: none"> • 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; • any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity; • any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole • any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;

¹¹ Added the term “2018 Act”

¹² Added the abbreviation “ABMS”

¹³ Redefined ‘Bribery’

¹⁴ Redefined ‘Gratification’

1

Abbreviation / Term	Definition
	<ul style="list-style-type: none"> any forbearance to demand any money or money's worth or valuable thing; 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 any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs above.
IGU ¹⁵	Integrity & Governance Unit of MCB
Improper Conduct	Any conduct which if proven, constitutes a Disciplinary Offence or a Criminal Offence. The definition is further described in the MCB Whistle-blowing Policy.
MACC Act	Malaysia Anti-Corruption Commission Act 2009 (Act 694), including any amendments thereto from time to time.
MCB or Company	Malakoff Corporation Berhad and its subsidiary companies.
MRC	Management Risk Committee.
RPT	Related Party Transactions.
RRPT	Recurrent Related Party Transactions.

¹⁵ Added the abbreviation "IGU"

1

Abbreviation / Term	Definition
Senior Management ¹⁶	Management Risk Committee and/or such other personnel as the Board of Directors may prescribed from time to time.

Table 1: Abbreviations, Terms and Definitions

5.0 Compliance Obligations

5.1 Regulatory Compliance

1

The Policy is prepared in accordance with the Guidelines on Adequate Procedures issued by MACC pursuant to Subsection (5) of Section 17A of the 2018 Act¹⁷.

5.2 Obligations to comply

1

The Board of Directors, Senior Management¹⁸, employees and other persons who perform services for or on behalf of MCB Group are required to comply with the Policy.

6.0 Related Documents

The Policy is complementary to and shall be read together with the following documents and/or with any other relevant policies and procedures:

1

Document Number	Document Title
MCHR1-02 ¹⁹	MCB Group Code of Conduct
MCFC1-01	Limits of Authority

¹⁶ "Top Management" changed to "Senior Management" and redefined.

¹⁷ "the Act" changed to "the 2018 Act"

¹⁸ "Top Management" changed to "Senior Management"

¹⁹ Updated Document Number

	Document Number	Document Title
△ 1	MCHR1-03 ²⁰	Gift & Business Courtesy Policy
	MCIA1-01	Whistle-blowing Policy
	MCCR1-01	Group ²¹ Enterprise Risk Management Policy & Framework
	MCCS1-01	MCB Related Party Transaction Policy and Procedures
△ 1	MCCP2-01	Group Procurement Process Guideline - Group ²² Procurement Process Procedure
△ 1	MCCP2-03	Group Procurement Process Guideline - Group ²³ Vendor Management Procedure
	MCHE2-01	Manpower Planning & Recruitment Procedure
	<i>Not Applicable</i>	Employee Handbook

Table 2: Related Documents

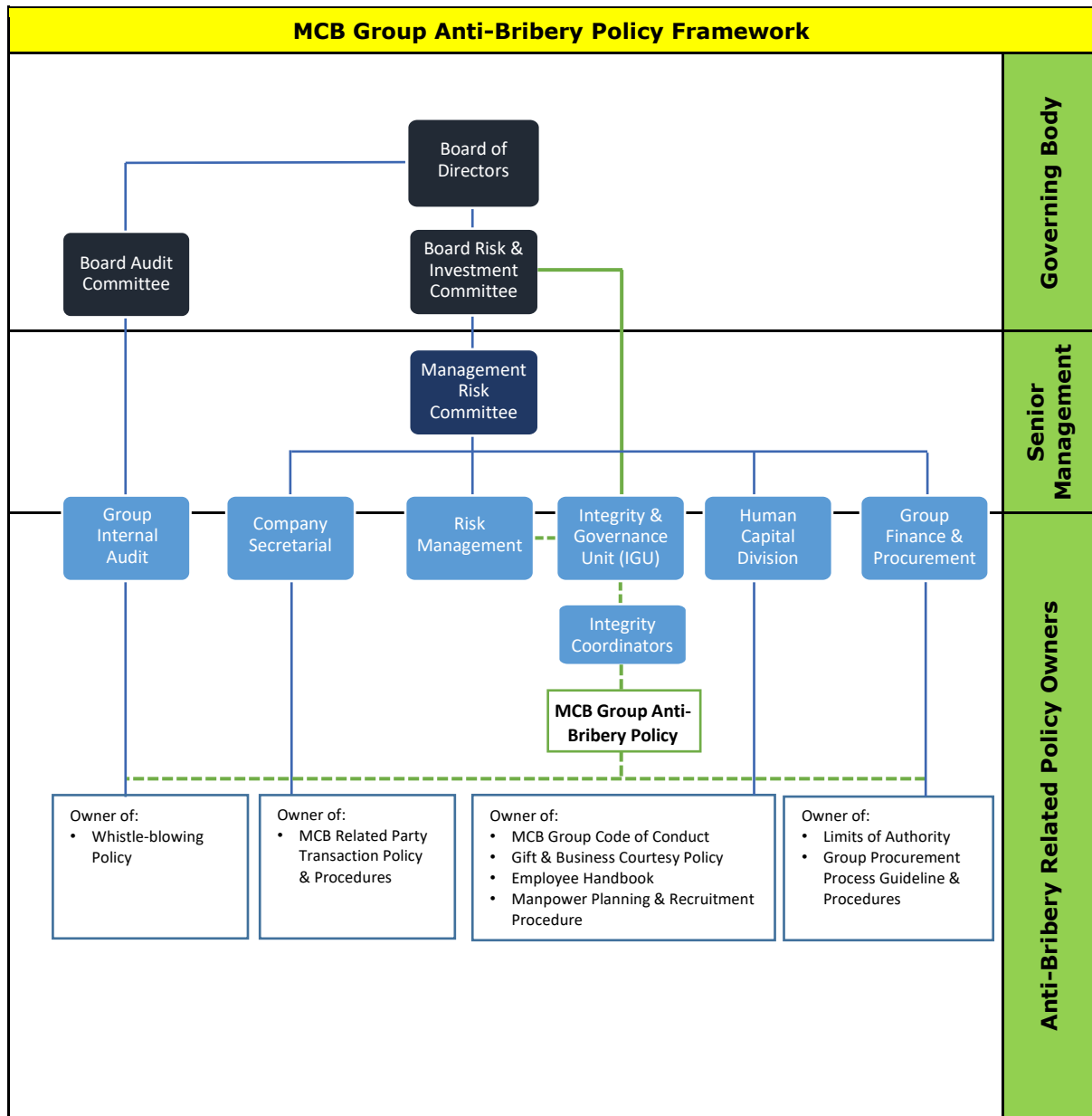
²⁰ Updated Document Number

²¹ Updated Document Title

²² Updated Document Title

²³ Updated Document Title

7.0 MCB Group Anti-Bribery Policy Framework



1

Figure 1: MCB Group Anti-Bribery Policy Framework²⁴

²⁴ Changed to "MCB Group Anti-Bribery Policy Framework" and updated.

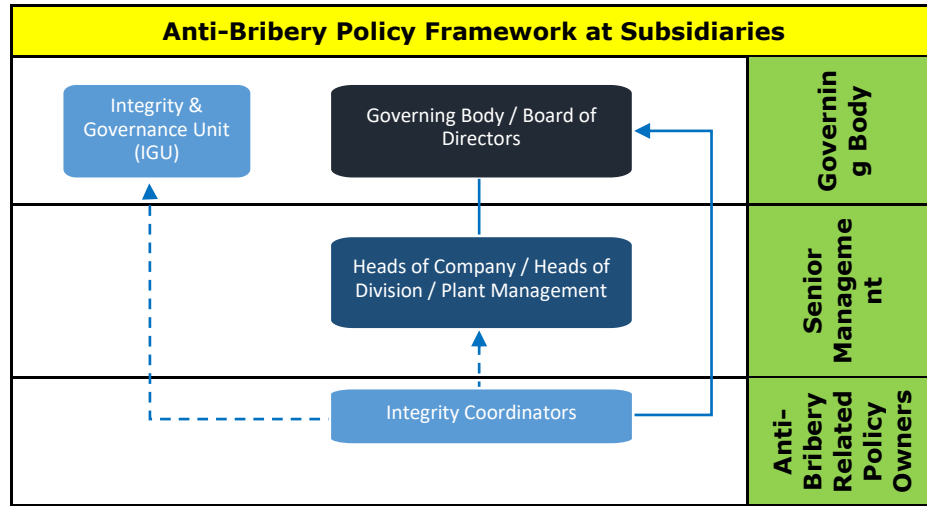


Figure 2: Anti-Bribery Policy Framework at Subsidiaries²⁵

8.0 Roles and Responsibilities

8.1 Board of Directors

The MCB Board of Directors is responsible for establishing, governing, maintaining and reviewing the contents and operation of the Policy. The MCB Board of Directors shall exercise discretion and oversight with respect to the adequacy, communication, implementation and effectiveness of the Policy.

8.2 Board Risk & Investment Committee ("BRIC")

The BRIC is responsible to assist the Board of Directors to oversee the establishment and implementation of an Anti-Bribery Management System. The BRIC is also responsible to regularly review the effectiveness of the Anti-Bribery Management System.

²⁵ Added Figure 2.

8.3 Senior Management²⁶



The Senior Management via the MRC is accountable towards the overall implementation and effectiveness of the Policy. In this respect, the Senior Management's responsibilities are as follows:

- Implement the Policy to all levels within the Company and set the right "tone from the top";
- Deploy adequate resources and assigned to person(s) who have the appropriate competence towards the effective implementation and operation of the Policy;
- Approve the anti-bribery implementation program, improvement recommendation, as and when necessary;
- Ensure that the Anti-Bribery Management System conforms to the requirements of established international standards; and
- Ensure overall oversight and assurance on compliance.

8.4 Integrity & Governance Unit (IGU)²⁷



The Integrity & Governance Unit (IGU) is authorized and responsible for the anti-bribery compliance function. In this respect, the IGU responsibilities are as follows:

- Lead the efforts to promote strong integrity-related values, systems and practices at all levels;
- Design and monitor the implementation of the Anti-Bribery Management System;
- Advise on the Anti-Bribery Management System and issues relating to bribery;
- Respond accordingly to reports on potential integrity and bribery-related misconduct by employees;
- Monitor and report to the Board of Directors and Senior Management on the effectiveness of the organization's anti-bribery policy and its related policies; and

²⁶ "Top Management" changed to "Senior Management"

²⁷ Changed the role of "Risk Management & Integrity Department" to "Integrity & Governance Unit (IGU)"

- Work with the Board of Directors, and Board Committees, Senior Management, and relevant functional areas to ensure adequacy of controls with issues relating to integrity and bribery at all levels.

8.5 Integrity Coordinators²⁸



An Integrity Coordinator shall act as the focal person responsible to support the ABMS compliance function in his / her respective business entity / unit / department / division / plant. The appointment of Integrity Coordinator will be formally assigned by the Senior Management. The roles and responsibilities of an Integrity Coordinators are as follows:

- Act as the focal person for the overall support, guidance and coordination of ABMS and Integrity activities within the respective business entity / units / department / division / plant;
- Assist Head of Department / Head of Division / Head of Company / Plant Manager or equivalent in carrying out their roles and responsibilities regarding ABMS implementation within the function; and
- Support and attend to ABMS audit and reporting activities.

8.6 Anti-Bribery Related Policy Owners

- Provide periodic report to IGU on the effectiveness of their respective policies;
- Monitor the effectiveness of their respective policies, controls and procedures for mitigating integrity and bribery related risks;
- Advise the IGU on potential amendments to their respective policies to improve controls; and

²⁸ Added the role of Integrity Coordinators

-
- Collaborate with the relevant functional areas to support the development and implementation of tools for embedding integrity into operations and business processes.

9.0 Bribery Risk, Controls and Compliance

9.1 Bribery Risk Assessment



Bribery risk identification and assessment are part of the wider MCB Group Enterprise Risk Management Policy and Framework²⁹ ("ERM"). The anti-bribery risk management process helps the Company to identify structural weaknesses that may facilitate such act and provide a framework for all staff to take part in identifying risk factors and treatments and bribery prevention within MCB's governance framework.

MCB shall conduct bribery risk assessments periodically and when there is a change in law or circumstance of the business, to identify, analyse, assess and prioritise the internal and external risks of the Company.



The risk assessment for bribery shall be incorporated into the existing Group Enterprise Risk Management³⁰ processes and system.

²⁹ Changed "MCB Enterprise Risk Management Policy and Framework" to "MCB Group Enterprise Risk Management Policy and Framework"

³⁰ Changed "Enterprise Risk Management" to "Group Enterprise Risk Management"

9.2 Internal Controls and Procedures

9.2.1 Limits of Authority

Limits of Authority ("LOA") sets out the level of authority under key business areas (financial and non-financial) of MCB. It is applicable to all employees and serves as a fundamental communication for all employees at various levels to clarify responsibilities and authorities in performing daily operations. The LOA also sets out the authority limits on procurement activities to acquire the required supplies, works and consultancy services.

9.2.2 Group Procurement Process Guideline & Procedures

MCB's Group Procurement Process Guideline sets out the rules on how procurement activities and processes shall be carried out within MCB in a manner which is transparent and fair whilst achieving the desired quality at the most economical terms. The Group Procurement Process Procedure and the Group Vendor Management Procedure detail out the standard operating procedure in accordance with the said Guideline.

9.2.3 MCB Group Code of Conduct



MCB Group Code of Conduct serves as a formal commitment to ensure employees always act in a professional manner³¹ and conduct business in a transparent, appropriate and fair manner. There are eight (8) underlying principles that employees must observe which are Honesty, Integrity, Leadership, Professionalism, Loyalty, Responsible, Trustworthy and Personal Conduct.

9.2.4 Gift & Business Courtesy Policy

Gift & Business Courtesy Policy provides a set of guidelines on procedures and processes related to the acceptance and provision of gifts and/or business courtesies

³¹ Added ".....always act in a professional manner....."

to and from the other parties. It is applicable to all employees to govern their conduct with regards to the acceptance and provision of gifts.

9.2.5 Whistle-blowing Policy

Whistle-blowing Policy provides the avenue to disclose alleged Improper Conduct in a responsible manner without compromising confidentiality consistent with the Whistle-blower Protection Act 2010 and Personal Data Protection Act 2010. The Whistle-blowing Policy however does not absolve employees and stakeholders from statutory obligations contained in any Act and/or regulation to report criminal offences and/or breaches of laws with the relevant enforcement agencies.

9.2.6 MCB Related Party Transactions Policy & Procedures

The MCB Related Party Transactions Policy & Procedures ("RPT Policy") outline the framework and processes for identifying, monitoring, evaluating, reporting and approving the RPTs and RRPTs. The RPT Policy serves as a guide to the Board of Directors in discharging its role to provide oversight of RPTs and RRPTs within MCB Group.

9.2.7 Employee Handbook & Manpower Planning and Recruitment Procedures

The Employee Handbook sets out the terms and conditions governing the relationship between the employees and the Company and shall form part of the employment contract. The Manpower Planning and Recruitment Procedures spell out the manpower planning and recruitment process of the Company.

9.3 Compliance

MCB has a clear framework to deal with instances where employees are not in compliance with the related policies and procedures. It seeks to ensure prompt, consistent and fair treatment for all employees and to assist in enabling both the employees and the Company to be clear about the expectations of both parties.



The Company reserves the rights to take disciplinary action against any employee who breaches the Company's policies and procedures. Further to disciplinary actions taken by the Company, employee who commits bribery is still subject to criminal prosecution and may be convicted³² under the relevant anti-bribery laws.

10.0 Annexures

Nil.

³² Reworded to ".....is still subject to criminal prosecution and may be convicted..."