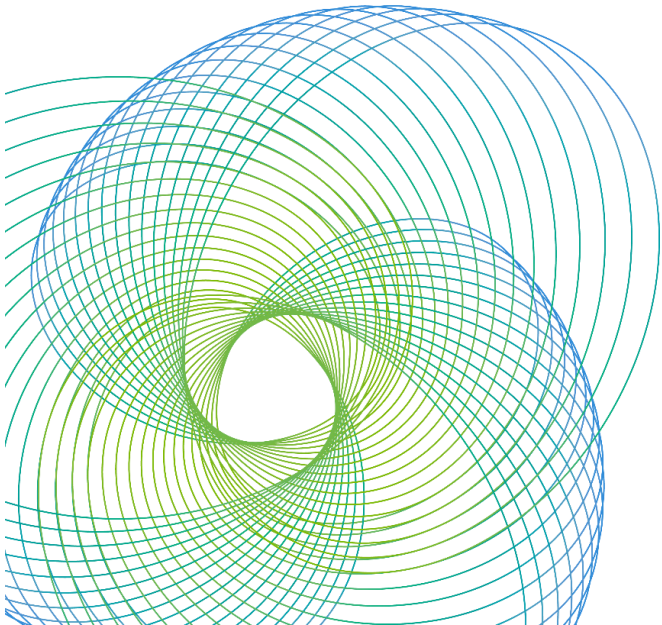




MCB GROUP CODE OF CONDUCT

MCHH1-02 / Rev. 01 / 2020 



Document Owner: Human Capital Division
Malakoff Corporation Berhad
Level 7, Block 4, Plaza Sentral,
Jalan Stesen Sentral 5,
50470 Kuala Lumpur

**Enhancing Life,
Enriching Communities.**

Notes

This document has been published for the internal use of Malakoff Corporation Berhad (MCB) and its subsidiaries and shall not be reproduced in any form or be transmitted electronically or through other means or quoted or referred to in any public document or media without its prior written consent.

Under this Code of Conduct, reference to “MCB Group” means Malakoff Corporation Berhad or its subsidiaries or both and reference to “Company” means Malakoff Corporation Berhad or the relevant subsidiary, depending on the context of the provision.

The policy was made effective on 23 Nov 2015 upon deliberation and approval by the Board of Directors and rearranged to new format on 1 July 2020.

MCB Group reserves the right to review, amend or update this Code of Conduct from time to time. For any enquiries and clarifications, please do not hesitate to contact the Human Capital Division.

Abbreviations

Abbreviation	Definition
HCD	Human Capital Division
HSE	Health, Safety and Environment
MaCNet	Malakoff Corporation Intranet Portal
MCB	Malakoff Corporation Berhad
NGO	Non-Governmental Organizations
NPO	Non-Profit Organizations

Table 1: Abbreviations and Definitions

Terms and Definitions

Terms	Definition
Board	Members of the Board of Directors of MCB, including members of the Board of Directors of its subsidiaries.
Code	MCB Group Code of Conduct
Conflict of Interest	A situation when an individual has competing personal or financial interests that would make it difficult for the individual to fulfill his or her duties to MCB Group fairly.
Contract of Employment	A document detailing the terms and conditions agreed between the Company and the Employee, normally are as set out in the offer letter, and shall be in compliance with the Employee Handbook and relevant procedures, local law or any statutory requirements.
Division / Business Operating Unit	The relevant Division, Unit or Subsidiary of MCB.

Terms	Definition
Employees	All persons who have entered into a contract of employment with Company.
Gifts / Business Courtesies	Anything of value, a favour or benefit provided free of charge which may be tangible or intangible benefit including but not limited to meals, drinks and hampers.
Management	Management of MCB Group
MCB Group or The Company	Malakoff Corporation Berhad including its wholly owned and majority owned subsidiaries, as defined in the Companies Act 2016, who is the employer of the employee.
Normal Working Hour	Normal hours of work or stipulated working hours as determined by the Company.

Table 2: Terms and Definitions

Related Documents

Document Number	Document Title
-	Employee Handbook
MCHE2-04	Disciplinary Management Procedure
MCIS1-04	IT Governance and Security Policy
MCFV1-01	MCB Corporate Disclosure Policy and Guidelines
MCHH1-03	Gift and Business Courtesy Policy
MCFP2-01	Group Procurement Process Procedure

This document shall be read together with these documents and any other related documents as deemed appropriate.

Table 3: Related Documents

Table of Contents

Notes	1
Abbreviations	2
Terms and Definitions.....	2
Related Documents	3
1.0 Introduction	7
1.1 Background	7
1.2 Objectives	8
1.3 Scope	8
2.0 Compliance.....	9
2.1 Regulatory Compliance	9
2.2 Obligation to Comply	9
3.0 Responsibility and Accountability.....	9
3.1 Employees.....	9
3.2 Managers and Supervisors	10
3.3 Customers, Vendors and Suppliers / Contractors.....	10
4.0 Part I – Employee Responsibilities to the Company	11
4.1 Personal Appearance	11
4.2 Respect for Another	11
4.3 Safe Working Environment.....	12
4.3.1 Safe and Conducive Work Environment.....	12
4.3.2 Employee’s Obligations.....	12
4.3.3 Breach of Safety Rules and Procedures	13
4.4 Assets and Properties	13
4.4.1 Employees’ Responsibilities	13
4.4.2 Company Vehicles and Petrol Cards.....	13
4.4.3 Access to the Internet and Its Materials	14
4.4.4 Abuse of Computer / Information and Communication Technology (ICT)	15
4.5 Information	15
4.5.1 Confidential and Proprietary Information.....	15

4.5.2	Recording and Storing of Information	16
4.5.3	Insider Trading	17
4.6	Time	19
4.6.1	Punctuality	19
4.6.2	Absence with Permission.....	19
4.7	Other Employment / Disclosure of Other Business Interest	19
5.0	Part II – Employees Responsibilities to Customers, Vendors, Suppliers and Contractors.....	20
5.1	Customers	20
5.1.1	Integrity and Professionalism	20
5.1.2	Relationship with Customers	20
5.2	Doing Business with Others	20
5.2.1	Obtain Business Legally and Ethically	20
5.2.2	Conflicts of Interest	21
5.3	Giving and Receiving Business Courtesies	21
5.3.1	General Guidelines.....	21
5.4	Purchasing and Procurement Practices	22
5.4.1	Acting in MCB Group’s Best Interest	22
5.4.2	Improprieties or Potential Thereof	23
5.4.3	Business Courtesies by Vendors or Suppliers	24
5.4.4	Commitment on Behalf of the Company	24
5.4.5	Commitments by Resignees and Consultants Disallowed	25
5.4.6	Handling Cash and Company Monies	25
6.0	Part III – Employees Responsibilities to Other External Parties	25
6.1	Safeguarding the Company’s Reputation	25
6.1.1	Establishing Business Relationships	25
6.1.2	Avoiding Any Attempts to Obtain Favourable Treatments / Terms	26
6.2	Government Agencies	26
6.3	Requests or Queries from the Third Parties and the Media	27
6.4	Political Parties, Non-Governmental Organizations (NGOs) and Non-Profit Organizations (NPOs)	27
7.0	Summary	28

7.1	The Role of Employee.....	28
7.2	The Role of Immediate Manager and Supervisor.....	28
7.3	The Role of the Human Capital Division.....	28
8.0	Declaration	29
8.1	Annexure 1: Employee Declaration / Disclosure Form	30

1.0 Introduction

1.1 Background

1.1.1 As the Company paves the way forward to success through the implementation of sound business principles and financial investments, there is a need to maintain the highest standard of integrity and professionalism in its business dealings including conducting its business fairly and impartially and in full compliance with all applicable laws and regulations. The introduction and implementation of this Code is as a catalyst to achieve such goal where the Code will function as a guide for Employees to understand and adopt the basic standards of conduct that is expected of them.

1.1.2 Generally, there are eight (8) underlying principles that the Employees must observe. These principles form the basis of the Employees' conduct towards their own Company, customers, vendors, suppliers, contractors and other external parties. The basic principles are:

- i) Honesty; avoiding hiding the truth;
- ii) Integrity; avoiding situations where the personal interest of the Employees appears to be in conflict with the interest of MCB Group;
- iii) Leadership; avoiding abuse or misuse of the Employees' position in MCB Group;
- iv) Professionalism; maintaining secrecy at all times of confidential information obtained in the course of the Employees' employment in MCB Group and not disclosing or using such confidential information for personal advantage;
- v) Loyalty; avoiding placing the reputation of MCB Group in jeopardy;
- vi) Responsibility; disclosing and seeking clarification from relevant persons in the Company whenever in doubt or whenever ethical concerns arise;
- vii) Trustworthy; avoiding misuse of MCB Group's resources or assets for personal gain; and
- viii) Personal Conduct; conducting or behaving in any manner at any place and time that does not bring disrepute to the good name of MCB Group.

1.2 Objectives

- 1.2.1 The Code shall serve as the Company's formal commitment to conduct ourselves professionally at all times and do business in a transparent, appropriate and fair manner.
- 1.2.2 The objectives of the Code are:
- i) To define acceptable behaviors;
 - ii) To assist the Employees in living up to high ethical business standards;
 - iii) To convey to both the Employees and external parties that MCB Group shall under no circumstances allow the ethical principles to be compromised; and
 - iv) To promote awareness and understanding among the Employees and external parties that failing to comply with the Code and its applicable laws and regulations as well as MCB Group's policies and procedures may result in appropriate disciplinary action.
- 1.2.3 The Code is not a comprehensive manual that covers every ethical situation that Employees would encounter during their course of work but rather a guide that highlights key issues and identifies the relevant policies and procedures and resources to help Employees conduct business in line with the Company's standards.

1.3 Scope

This document is meant as a reference for all levels of Employees as well as all parties that do business with the Company.

2.0 Compliance

2.1 Regulatory Compliance

- Subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act.
- Personal Data Protection Act 2010
- Companies Act 2016
- Capital Market and Services Act 2007
- Bursa Malaysia Securities Berhad Main Market Listing Requirements
- Bursa Malaysia Securities Berhad Ace Market Listing Requirements
- Other relevant laws and guidelines as may be imposed by the relevant authorities

2.2 Obligation to Comply

- 2.2.1 It is the responsibility of the Employees to understand and comply with the Code. If the Code does not address specifically any possible related concerns and circumstances, common sense and attention to MCB Group's core values and its commitments to legal and ethical behavior should be a guideline. However, it shall be the Employees' responsibilities to first seek clarification from the HCD.
- 2.2.2 Employees who contravene the Code may be liable to disciplinary proceedings as per **MCHE2-04 Disciplinary Management Procedure** and the Management of MCB Group reserves the right to initiate legal action against such Employees.

3.0 Responsibility and Accountability

3.1 Employees

- 3.1.1 It is compulsory for Employees to comply with the Code whereby ignorance of the existence of the Code including its amendments or updates will not be accepted as an excuse for its breach.
- 3.1.2 To ensure the implementation of the Code is carried out effectively, upon joining the Company, Employees are required to accept the Code as a pre-requisite of their employment by signing the declaration provided under the Code.

3.1.3 As the Code will be continuously updated from time to time to align with business requirements, the latest version of the Code can be found online in MaCNet.

3.2 Managers and Supervisors

3.2.1 Being assigned with greater responsibility in guiding their subordinates, managers and supervisors must lead by example in understanding and practicing the Code in their daily routine of works with the Company. They assume the role and responsibility as the first point of contact for their subordinates to obtain necessary clarifications if there is any ambiguity with regards to the Code and its implementation. They should diligently be on the lookout for indications that unethical or even illegal business conduct has occurred.

3.3 Customers, Vendors and Suppliers / Contractors

3.3.1 It is the duty of Employees to ensure that all customers, suppliers, vendors, contractors and their respective subcontractors of the Company conform to the principles outlined in the Code in their business relationships and dealings with the Company. In the event that they face difficulties or issues on observing such principles, Employees must first work with them to resolve such difficulties or issues, and if they fail, the Company will engage other parties who can observe such principles diligently and meet the standards as outlined in the Code.

3.3.2 If Employees have any concern about unethical conduct or business practices taking place in the Company, Employees are expected to take appropriate and consistent action by informing their manager / supervisor. If the manager / supervisor fails to provide a solution or advice, the matter should be referred to HCD. Please take note, though, that HCD will not entertain any anonymous letters. All correspondences with HCD would be treated in the strictest confidence.

3.3.3 HCD can be contacted via:

Telephone: 03-22633261

Office address: Level 10, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur.

4.0 Part I – Employee Responsibilities to the Company

4.1 Personal Appearance

4.1.1 Personal appearance is a reflection of MCB Group’s image. Therefore, Employees must be well groomed and in proper working attire in accordance with the Company’s requirements at all times.

4.2 Respect for Another

4.2.1 The Company believes that their internal customers are equally important as compared to the external parties. As such, Employees shall conduct themselves in a professional manner and in the best interest of the Company and demonstrate the highest regards for one another and shall treat each other with respect and dignity, avoiding any language or behavior that intimidates or offends others in any dealings, listening to other individual’s ideas and opinions and also recognizing each individual’s contribution to the Company.

4.2.2 Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker’s conduct are uncomfortable, and to report harassment when it occurs.

4.2.3 As part of respect for others, Employees shall conduct themselves in a professional manner at meetings and will not engage in personal telephone conversations during meetings or allow the meeting to be distracted or interrupted by the ringing of mobile phones.

4.2.4 Each and Everyone’s Responsibility

- i) Each and every Employee shall be responsible for fostering an atmosphere that promotes good relations between one another.
- ii) Managers and supervisors have the added responsibility of managing their direct subordinates in the most effective and efficient manner and with respect for the individual. Decisions should be made fairly and without discrimination, based on objective criteria and results and Company-provided guidelines and

policies. Discrimination against any individual or group because of race, religion, gender or disability is prohibited. One's position or other advantages, such as seniority or physical size, are not being used to harass or intimidate others. Such harassment can appear in the form of withholding or keeping deserved rewards unfairly or demanding unfair or illegal favors in return for doing your proper duties.

- iii) Employees, on the other hand, must not behave towards one's supervisor or another supervisor in an insulting or impertinent manner, or to willfully defy reasonable, lawful authority as this constitutes insubordination which is detrimental to the organizational well-being.

4.3 Safe Working Environment

4.3.1 Safe and Conducive Work Environment

- i) In line with HSE Policy, MCB Group is committed to providing a safe and conducive work environment.
- ii) It is everyone's responsibility to ensure the HSSE Policy is implemented efficiently by promoting safe behavior and checking unsafe conditions in the workplace. Employees are responsible for immediately reporting accidents, injuries and unsafe equipment practices or conditions to a supervisor or other designated person.

4.3.2 Employee's Obligations

- i) In order to protect the safety of all employees, each employee must report to work in the healthy condition that fit to carry out duties without the influence of any substance or external factors that could prevent from conducting work activities safely and effectively. Threats or acts of violence or physical intimidation on fellow employees are prohibited.
- ii) Employees must take all possible care to ensure safety, as well as the safety of co-workers and others around at all times. Employees must follow all rules and regulations laid down on safety matters; influence and persuade others to do the same (as their non-compliance may harm the Company and all employees too), and report cases of non-compliance.

- iii) In cases where there are no formal rules and regulations or guidelines, use common sense and best judgment to ensure safety.

4.3.3 Breach of Safety Rules and Procedures

- i) Employees are required to follow all established safety rules and practices. This is to ensure that employees, including their families that depend on them, benefit from a safe work environment.
- ii) As one's unsafe act or unsafe behavior can endanger others, all breaches of safety practices may be subject to disciplinary action.

4.4 Assets and Properties

4.4.1 Employees' Responsibilities

- i) Employees shall use the Company's assets, resources and property individually and publicly entrusted and provided to them with care from loss, damage, misuse, illegal use or theft.
- ii) MCB Group's assets, resources and property, such as funds, installations, materials, office equipment or facilities, Company vehicles, access and security cards should only be used for business and official purposes or other purposes as approved by the Company. Personal usage of those assets, resources and property is prohibited unless with prior approval or consent from the Company.
- iii) Employees must also be responsible to maintain, regularly update, keep and secure any inventory of the assets established by the Company. If removed from Company facilities, return the assets and property to the facility when it is no longer needed for business purposes. Similarly, use the Company's facilities provided, such as telecommunication services, for the benefit of the Company.

4.4.2 Company Vehicles and Petrol Cards

- i) The usage of the Company vehicles are only for business or official purposes only and shall be handled in accordance with procedures or rules as imposed by the Company.

-
- ii) All Company vehicles are assigned with petrol cards. Petrol cards are not to be shared with other vehicles and are meant for purchasing fuel only. Any matters related to the usage of the Company vehicles including emergency cases must be liaised with the Administration Department as soon as practicable.

4.4.3 Access to the Internet and Its Materials

Access to the Internet is provided to all Employees at the work place. However, Internet usage should be strictly for business purposes which include any research work related to the user's field of work. The Company reserves the right to revoke the user's Internet access if he/she is found to abuse the computing facilities outside the scope of work.

4.4.4 Abuse of Computer / Information and Communication Technology (ICT)

Employees are bound by the **MCIS1-04 IT Governance and Security Policy** and must avoid the following acts in using MCB Group's computers and/or any other ICT devices:

- i) Installing, connecting and/or using software and hardware without proper license and authorization.
- ii) Downloading large files or accessing streaming audio or video for own personal usage.
- iii) Usage of unauthorized computer access (password) and disclosing and/or divulging passwords to unauthorized parties.
- iv) Unauthorized access to data or program, unauthorized modification of the contents of any data or program and disclosing and/or divulging such data or program to unauthorized parties.
- v) Fraudulent use of network and network facilities.
- vi) Sending obscene materials via any electronic media.

4.5 Information

4.5.1 Confidential and Proprietary Information

- i) Employees, in full compliance with relevant applicable privacy laws as well as Personal Data Protection Act 2010, are obliged to protect MCB Group's and third-party confidential and privileged information from unlawful disclosure, and to ensure that such information is handled properly throughout the organization.
- ii) Confidential and privileged information can only be used by the relevant parties for business purposes only and must be handled discreetly. Assisting third parties to gain access to such information is prohibited. Should any release of such information become necessary, the relevant authorized personnel / department shall be consulted, and their approval must be obtained.

- iii) Employees are bound by the **MCFV1-01 MCB Corporate Disclosure Policy and Guidelines**. Employees shall not misuse privileged company information, or any form of information based on their knowledge from the job, for personal and third-party gain.
- a) Disclosure
- Employees shall not disclose any information to external parties unless it is deemed to be within the public domain and prior written approval is not required from the Disclosure Committee of the Company.
- b) Price-sensitive Information
- It is imperative for Employees to be aware of the Company's policy on confidentiality.
 - Confidential information does not only relate to information regarding MCB Group but also information relating to MCB Group's customers/partners, which Employees have obtained during the course of their employment.
 - Employees should always secure all records of their dealings/ transactions.

4.5.2 Recording and Storing of Information

- i) Employees shall not misrepresent or falsify any information in Company records, including personal information.
- ii) Employees shall ensure that honest and accurate information are provided in order to make responsible business decisions. This includes quality, safety and personnel records, as well as all financial records.
- iii) All financial books, records and accounts must accurately reflect transactions and events, and conform both to required accounting principles and to MCB Group's system of internal controls. No false or artificial entries may be made. When a payment is made, it can only be used for the purpose spelled out in supporting document.

- iv) All business records and communications should be clear, truthful and accurate. Employees will avoid exaggeration, guesswork, legal conclusions, and derogatory remarks or characterizations of people and companies. This applies to communications of all kinds, including email and “informal” notes or memos. Records should always be retained and destroyed according to and in compliance with MCB Group’s record retention policies and all legal requirements. Refer to **MCIS1-04 IT Governance and Security Policy**.
- v) Storage media containing confidential data or licensed or copyrights software, must not be taken off-site by Employees and contractors without consent and authorization from the owner, manager or supervisor.

4.5.3 Insider Trading

Employees are not allowed to indulge in the practice of Insider Trading in the manner prohibited under the Capital Market and Services Act 2007, Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements, Bursa Malaysia Securities Berhad Ace Market Listing Requirements and other relevant laws and guidelines as may be imposed by the relevant authorities from time to time.

i) Insider

For the purpose of this section, an insider shall include but not limited to:

- a) Directors and officers of the Company and subsidiaries;
- b) Employees;
- c) Persons who provide business or professional services to MCB Group; and
- d) Any other person or company informed of undisclosed material information about MCB Group by any of the above

ii) Dealing in Securities of the Company

No insider shall deal in the securities of the Company:

- a) During the period commencing from 30 calendar days before the targeted date of announcement to the relevant stock exchange of the quarterly results up to one full market day after the announcement of the Company's results for the financial quarter; or

b) Where the Employees have knowledge of price-sensitive information not generally available to the public, during the period commencing from the time information is obtained, up to one full market day after the announcement to the relevant stock exchange of a matter that involves price-sensitive information in relation to the securities concerned has been made.

iii) Dealing in Customer or Suppliers' Securities

At any time when the Employees have knowledge of price-sensitive information is not generally available to the public, no dealings in the securities of customers or suppliers, on the basis of information gained as an Employees should take place.

iv) Dealing in Merger / Acquisition Situations

The Employees or their immediate family member shall not in any way whatsoever deal in the securities of any target company from the time when there is reason to suppose that an approach or offer is contemplated unless an announcement of completion or termination has been made to the public.

For the avoidance of doubt, "dealings" shall mean any transaction relating to;

- a) shares in or debentures of the Company or any interests other than shares or debentures within the meaning of Section 84 of the Companies Act 2016; or
- b) rights or options in respect of the acquisition or disposal of such shares, debentures or interests.

4.6 Time

4.6.1 Punctuality

- i) Punctuality promotes goodwill and respect. Therefore, Employees must be punctual in regard to working hours, attending meetings, conferences, training and appointments; both internally and externally.
- ii) Employees must be at their assigned workstation, ready to work at the beginning of their daily working hours. They are also expected to remain at work until the end of their assigned work hours, except for approved breaks and outside appointments.

4.6.2 Absence with Permission

An Employee needs to obtain prior approval from his manager/supervisor if he/she has to leave the workplace to attend to urgent personal matters outside the Company during working hours.

4.7 Other Employment / Disclosure of Other Business Interest

4.7.1 An Employee is not allowed to conduct his own private business or hold other positions of another company during his/her employment with the Company.

4.7.2 An Employee is not allowed to hold directorship outside of MCB Group and prohibited from accepting of such position if it would involve, inter alia, a conflict of interest situation or interfere with the complete and proper discharge of the Employees' duties to MCB Group.



4.7.3 All private business activities/external directorships must be disclosed to the HCD and must seek the approval of the HCD by means of form as per **Annexure 1: Employee Declaration / Disclosure Form.**

4.7.4 An Employee may only participate or be engaged in other employment with prior written approval HCD, subject to future review from time to time.

5.0 Part II – Employees Responsibilities to Customers, Vendors, Suppliers and Contractors

5.1 Customers

5.1.1 Integrity and Professionalism

- i) Employees will build long-term relationships with customers by demonstrating honesty and integrity.
- ii) All marketing and advertising information will be accurate and truthful.
- iii) To maintain MCB Group’s valuable reputation, compliance with quality processes and safety requirements is essential.

5.1.2 Relationship with Customers

- i) Employees will ensure that all dealings with customers are conducted using the highest ethical standards in order to successfully meet the customer’s business needs, and to further enhance MCB Group’s reputation.
- ii) Employees will maintain customers’ self-esteem by employing the highest business standards when interact with them face-to-face, through correspondences, and over the telephone.

5.2 Doing Business with Others

5.2.1 Obtain Business Legally and Ethically

- i) Business decisions and actions must be based on the best interests of MCB Group and must not be motivated by personal considerations or relationships. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect independence and sound judgment on behalf of MCB Group. Employees are required to disclose to Management any situation that may be, or appear to be, a conflict of interest. Remember, when in doubt, it is best to disclose.
- ii) Employees may not work for, or receive payments for services from any competitor, customer, distributor, or supplier of MCB Group without the prior written approval of Management.

- iii) Any outside activity must be strictly separated from MCB Group employment and should not affect job performance within the Company. Employees must make sure that the skills learnt and used in the Company are not used in such a way that could harm the business of MCB Group.

5.2.2 Conflicts of Interest

- i) Employees must not use personal influence to get MCB Group to do business with a company in which their family members or friends have an interest.
- ii) As such, Employees shall declare to the Management and thereafter abstain from any involvement in the any activity that may conflict with their responsibilities to MCB Group. A conflict of interest occurs if Employees' activities or personal interests appear to or may influence the objective decisions required in the performance of their responsibilities for MCB Group.
- iii) This means that Employees, or any of their family members cannot receive gifts, loans or other special preferences beyond what are otherwise ordinarily available from a person or organization that does, has done, or wants to do business with the Company or is a competitor of the Company.
- iv) In dealings for MCB Group, Employees must not realize any profits apart from their regular compensation. The only exceptions are gifts of small value extended as a business courtesy. This includes sales promotion items or the occasional business meals.

5.3 Giving and Receiving Business Courtesies

5.3.1 General Guidelines

- i) The acceptance of a gift by the Employees must always be subject to the provisions allowable under the relevant anti-bribery legislations currently in force or any integrity obligations taken up by the Company.
- ii) The following provision only serves as a guideline on what constitute appropriate gifts or token that can be received by the Employees:
 - a) Employees shall not solicit or accept any benefit, reward or gift of any kind, intended to create an improper advantage or that which may create

the appearance of impropriety, or perceived to be able to influence decision making either directly or indirectly from third parties or from any other Employees of MCB Group. Decision making should be objective, based purely on merits and should benefit the Company.

- b) It is the Company's requirement that all gifts must be managed to avoid abuse and not for the personal benefit or interest of the Employees.
- c) The above provisions shall extend to inter-MCB Group business transactions and to any governmental body/officials.
- d) The above provisions do not prohibit lawful reimbursement for reasonable and bona fide expenditures incurred by any Employees which is directly related to the promotion of MCB Group's products and/or services.
- e) For more information please refer **MCHR1-03 Gift and Business Courtesy Policy**. Employees may consult HCD when in doubt or when uncertainty arises.

5.4 Purchasing and Procurement Practices

5.4.1 Acting in MCB Group's Best Interest

- i) Purchasing decisions must be made based solely on MCB Group's best interests. The selection of suppliers shall be based on product or service suitability, price, delivery and quality and shall fit the purpose of the business with MCB Group.
- ii) Purchasing agreements should be documented and clearly identify the services or products to be provided, the basis for earning payment, and the applicable rate or fee. The amount of payment must commensurate with the services or products provided.
- iii) All tender evaluators will be required to sign a separate declaration absolve from any conflicts of interest, will keep all information confidential and will not copy any documents, etc. as governed under **MCCP2-01 Group Procurement Process Procedure**.
- iv) Notwithstanding, all staff involved in procurement of one form or another must comply with the features of sound procurement practices as follows:

- a) A level playing field (i.e., all vendors are treated equally and all are afforded the same information at the same time).
- b) Confidentiality (i.e. ensuring that no information leaks during the procurement process).
- c) No conflict of interest through relationships, receipt of gifts etc. to ensure no favoritism amongst vendors.
- d) More than one bidder, as competition between two or more suppliers would result in lower prices for the Company.
- e) Transparency, which ensures that the procurement process is auditable and justifiable and can stand up to scrutiny.
- f) More than one MCB Group staff and function is involved, which ensures counter check on the staff and visibility that not one person makes the decision.
- g) Getting the best deal for the Company and that the process can stand up to scrutiny by any party.
- h) The Procurement Department and the end user must carry out any negotiation with vendor. The end user is not allowed to negotiate prices with the vendor on his/her own.

5.4.2 Improprieties or Potential Thereof

- i) Any conflicts of interest (or potential thereof) through relationships or friendships with people in other companies invited by the Company to tender for any project must be declared to HCD. This covers staff that has relatives or friends working for the vendors / suppliers.
- ii) Where there is evidence or suspicion of improper behavior during the tender process or after its award, this must be reported to HCD.

5.4.3 Business Courtesies by Vendors or Suppliers

- i) It is at times, difficult to refuse a vendor or supplier's insistence in paying for a meal or a drink especially in instances where after meetings or discussions, a quick trip to the stall or restaurant is common.
- ii) The key question is whether the staff feels "obligated" by the "hospitality". As soon as the "hospitality" moves from that of common courtesy to something that could influence the staff in favor of the vendor in the decision-making process, the line must be drawn.
- iii) Any approaches by a vendor, which go beyond the normal bounds of courtesy or offer or receipt of gifts, and any potential conflict of interest, must be reported to HCD.

5.4.4 Commitment on Behalf of the Company

- i) Any monetary commitment done on behalf of the Company must be in accordance with the limits of authority spelled out in the manual. All employees must comply with these limits of authority and be aware that management will view violation of his/her authority seriously and any non-compliance will result in severe disciplinary action.
- ii) All staff must know that the authorization and approval of the budget/operating plan is not, per se, the authorization to spend the amounts. Approval to incur the expenditure is still required even though it is budgeted for.
- iii) No single Employee can approve a requisition, place an order, receive goods or approve an invoice for payment all by him or herself. Likewise, no individual is allowed to approve his/her own claims or expenses for payment.
- iv) No Employee is permitted to break down the total value of a commitment i.e. purchase or contract, into smaller orders to avoid approval by a higher approving authority.
- v) An Employee can only delegate his or her limits of authority to line subordinates in the functional area that he/she is responsible for, and the delegation must be time or task specific. A line subordinate who has been delegated authority is not allowed to further delegate the authority given to him/her.

5.4.5 Commitments by Resignees and Consultants Disallowed

- i) An Employee who has given notice to resign and is serving the notice period, or an expatriate staff who is within three months of the end of his/her assignment/contract, are not allowed to make any commitments on behalf of the Company.
- ii) No consultants (i.e., a person who is not a full-time MCB Group employee or a full-time secondee from an investor's Company) are allowed to make or approve any commitment on behalf of the Company.

5.4.6 Handling Cash and Company Monies

- i) Employees will follow all instructions on how to handle cash and other Company funds that they are responsible for. Employees will not use, divert or conduct any other transactions with those funds except strictly for authorized purposes. Employees will maintain tight control over the funds they are responsible for, and report any non-compliance immediately to the appropriate channel.
- ii) Employees will ensure any financial records accurately reflect all transactions. MCB Group's books and records shall not contain any false or misleading information. All payments must be made for the purpose stated. The Company's financial records will conform to generally accepted accounting principles. There must be no undisclosed or unrecorded funds or assets.

6.0 Part III – Employees Responsibilities to Other External Parties

6.1 Safeguarding the Company's Reputation

6.1.1 Establishing Business Relationships

Employees will not do business with parties who are likely to harm MCB Group's reputation, intentionally and continually violate the law. Prior to any arrangements and engagement with third parties, Employees must ensure that the process of such arrangements and engagements conform and comply with MCB Group's policy and the applicable law.

6.1.2 Avoiding Any Attempts to Obtain Favourable Treatments / Terms

- i) MCB Group will not condone any acts committed by its Employees who attempt or commit to make payments to third parties to secure sales or obtain favorable terms or treatment.
- ii) Gifts of substantial value or extravagant entertainment that may be construed as attempts to influence decisions are prohibited.
- iii) Assistance or entertainment given to third parties should not compromise or even appear to compromise their integrity in conducting transparent and fair business dealings.

6.2 Government Agencies

6.2.1 Employees who deal with government officials and contracts must always adopt a strict observance to the Code and full compliance with the applicable laws and regulations.

- i) Employees who deal with government officials and contracts are responsible for knowing and complying with applicable laws and regulations.

6.2.2 Offers and unlawful payments are disallowed.

- i) Employees are strictly not allowed to directly or indirectly offer or make any unlawful payments to government officials, including employees of statutory bodies and state-owned enterprises.
- ii) This requirement applies both to Employees and agents, such as service agents and dealers, irrespective of geographical location.
- iii) If you are authorized to engage agents, make sure that they are reputable, and you require them to agree in writing to MCB Group's standards in this aspect.

6.3 Requests or Queries from the Third Parties and the Media

- 6.3.1 Requests or queries from the third parties such as government agencies, financial analysts and shareholders or the media ('Requestors'), should be managed and handled properly by forwarding such requests or queries to the Authorized Person been assigned by the Company. It is to ensure that Requestors will receive professional, accurate and credible feedbacks. Any responses by unauthorised parties such as irresponsible Employees or even those who are acting in good faith and with sincere intention, might possibly cause their version of stories misinterpreted by the Requestors.
- 6.3.2 Any announcement of material information and corporate disclosure made or to be released to the public has to be in accordance to **MCFV1-01 MCB Corporate Disclosure Policy and Guidelines**.

6.4 Political Parties, Non-Governmental Organizations (NGOs) and Non-Profit Organizations (NPOs)

- 6.4.1 Contributions to political or social parties or movements or professional bodies where permitted by local law and practice must be authorized by MCB Group in writing.
- 6.4.2 Employees engaging in politically, socially or professional body-related activities will do so in their personal capacity as private citizens and not as representatives of MCB Group, and this should be made as a matter of public record. They shall ensure that their activities do not interfere with the efficient and due discharge of their duties to MCB Group. The Employees shall also ensure that MCB Group is not perceived as supporting the Employees' activities. If such activities encroach into the actual work and working hours that should be devoted to MCB Group, prior written approval from MCB Group must be obtained. Employees who wish to stand for State and/or Federal elections are required to resign from the Company.

7.0 Summary

7.1 The Role of Employee

7.1.1 It is the responsibility of the Employees to understand and comply with the Code and to adhere to the general applicable laws and regulations.

7.1.2 Employees who contravene the Code may be liable to disciplinary proceedings and the Company reserves the right to initiate legal action against such Employees.

7.2 The Role of Immediate Manager and Supervisor

If there is any ambiguity with regards to the Code and its implementation, the Employees' first point of contact is their immediate manager and supervisor. They will be able to engage in discussions with you about the Code and advise you accordingly.

7.3 The Role of the Human Capital Division

In the event the Employees' immediate manager or supervisor is not able to provide any proper advice or constructive instruction following the queries by the Employees on the Code, such queries should be channeled to the Human Capital Division.

8.0 Declaration

I hereby declare that I have received MCB Group Code of Conduct. It is my sole duty and responsibility to read and understand the provisions of the Code.

I shall conduct myself with complete integrity in the daily execution of my daily duties and assignments. I undertake that I will abide by the existing provisions of the Code and its future revisions (if any) as per the current uploaded version of the Code which can be found online at Malakoff Corporation Intranet Portal (MaCNet). If for any reason(s) I do not comply with any of the provisions in the Code, I shall not cite ignorance or lack of understanding as my defense and agree that the Company has the absolute right to take action against me due to any violations of the Code.

I fully understand that the Company has the absolute discretion to add, amend or delete existing Code as and when necessary.

Signature

Full Name (please print in capital letters)

Identity Card / Passport No.

Designation

Department / Division & Company

Date



8.1 Annexure 1: Employee Declaration / Disclosure Form

MALAKOFF CORPORATION BERHAD			
EMPLOYEE DECLARATION / DISCLOSURE FORM			
Note:			
1. It is a requirement for all employees with employment contract under Malakoff Corporation Berhad to complete the Employee Declaration Form.			
2. Please ensure that the form is completed and return to Human Resource Department.			
3. Any false or incorrect statement or information provided is liable to disciplinary action.			
PERSONAL PARTICULARS			
NAME:			
POSITION:		STAFF ID NO:	
DEPARTMENT:		JOB GRADE:	
LOCATION:		IMM. SUPERVISOR:	
1. Kindly specify if you have any other employment/part time job/hold another position and/or directorship at other company besides Malakoff Corporation Berhad.			
YES <input type="checkbox"/>	If yes, please provide information as below:		NO <input type="checkbox"/>
Nature of business/industry :			
Name of Company/Employer:			
Position/Job Title:			
Details of possible conflict of interest (if applicable):			
Others:			
2. Kindly specify if you have any friends and/or relatives (spouse, domestic partner, children, parents, siblings, aunts, uncles, nieces, nephews, cousins, step-relatives and in-laws) working with a vendor/supplier currently in contract with Malakoff Corporation Berhad.			
YES <input type="checkbox"/>	If yes, please provide information as below:		NO <input type="checkbox"/>
Name:			
Vendor:			
Relationship:			
Nature of contract with Malakoff:			
3. Other possible conflict of interest that you would like to disclose:			
DECLARATION			
I declare that the information in this declaration is true and correct in every detail.			<input type="checkbox"/>
I understand that if any of these statements are not truthful or false, I may be liable for disciplinary action including dismissal of my employment from Malakoff Corporation Berhad.			<input type="checkbox"/>
I understand that it is my duty and responsibility to update or inform Human Resource Department on the change of details in relation to my declaration in this Declaration Form			<input type="checkbox"/>
I understand that any information on this Declaration Form may be checked by Malakoff Corporation Berhad with the relevant parties.			<input type="checkbox"/>
Employee's signature:			
.....			
Date:			