

## Anti-Bribery and Corruption Policy

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## 1. WHAT DOES THE POLICY COVER?

- 1.1 This Anti-Bribery and Corruption Policy (the “Policy”) sets out the responsibilities of Mega First Corporation Berhad (“MFCB” or the “Company”) and its subsidiaries (collectively, the “Group”), as well as the responsibilities of those who work for the Group in regard to observing and upholding our zero-tolerance position on bribery and corruption.
- 1.2 It also acts as a source of information and guidance for those working for the Group. It helps them recognise and deal with bribery and corruption issues that may arise in the course of doing business, as well as understand their responsibilities.
- 1.3 This Policy does not stop us from doing legitimate business in the context of promoting products, executing contracts, exchanging information or paying official published fees for the services or goods provided by governments.
- 1.4 This Policy is supplemental to, and shall be read in conjunction with the Employees’ Code of Conduct and Whistle-Blowing Policy of the Company.

## 2. POLICY STATEMENT

- 2.1 The Group is committed to conduct business in an ethical and honest manner and is committed to implement and enforce systems to deter bribery and corruption. The Group has zero-tolerance for bribery and corruption activities and is committed to act professionally, fairly and with integrity in all business dealings and relationships.
- 2.2 The Group will uphold all laws relating to anti-bribery and anti-corruption in all the jurisdictions in which we operate. The Group is bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”) in regard to our conduct both at home and abroad.
- 2.3 It is important to remember that even if the country in which an act of bribery takes place does not have relevant laws which capture the relevant action, the MACC Act may still apply.
- 2.4 There are four main offences stipulated in the MACC Act which are as follows:
  - a. Soliciting/Receiving Gratification (Bribe) [Section 16 & 17(a)];
  - b. Offering/Giving Gratification (Bribe) [Section 17(b)];
  - c. Intending to Deceive (False Claim) [Section 18]; and
  - d. Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [Section 23].

- 2.5 The MACC Act was amended in 2018 (“MACC (Amendment) Act”) to introduce corporate liability for corruption offences, which applies to commercial organisations in Malaysia. The MACC (Amendment) Act introduces a new Section 17A, which provides that a commercial organisation is deemed to commit an offence if any person associated with the commercial organisation corruptly gives, agrees to give, promises or offers to any person any gratification to obtain or retain business or advantage for the organisation.
- 2.6 We acknowledge that bribery and corruption are punishable with imprisonment and/or fine under the MACC (Amendment) Act. If an employee is discovered to have taken part in bribery and corruption activities, the employee could be exposed to the punishment, the Group may be excluded from tendering for public contracts and face serious damage to its reputation. It is with this in mind that we commit to prevent bribery and corruption in all our businesses and take our legal responsibilities seriously.
- 2.7 To address the risks of bribery and corruption, the Group has taken the following steps:
- a. Implement this Policy;
  - b. Establish adequate procedures as lines of defence for the Group as well as those in charge with governance and management of the Group;
  - c. Perform regular monitoring and review of our operations;
  - d. Take steps to implement training programmes for all individuals operating in areas of the organisation that are identified as high risk; and
  - e. Regular review and updates to this Policy.

### 3. WHO IS COVERED BY THE POLICY?

- 3.1 This policy applies to all companies within the Group and everyone working for the Group regardless of location, role or level of seniority. This includes all directors, committee members, employees (whether full-time, part-time, contract or temporary), trainees, casual workers, consultants, contractors, agents, volunteers, interns, sponsors and any other person or persons associated with us (including third parties).
- 3.2 In the context of this Policy, third party refers to any individual or organisation that we meet and work with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, advisers, consultants, contractors, agents, joint venture partners and government and public bodies – this includes their advisors, representatives and officials, politicians and public parties.
- 3.3 Any arrangements we make with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards relating to anti-bribery and anti-corruption.

## 4. APPOINTMENT OF A RESPONSIBLE EMPLOYEE

- 4.1 MFCB shall appoint or designate an employee whose duties consist of implementing this Policy and the other policies and procedures of the Group on matters related to anti-bribery and anti-corruption compliance (the “Group Compliance Officer”).
- 4.2 The Group Compliance Officer is directly subordinate to the Executive Directors of the Company and is endowed with the powers and resources necessary for effective implementation, maintenance and improvement of the system of anti-bribery and anti-corruption compliance in the Group.
- 4.3 In the event that any employee has questions concerning the content of this Policy, including questions on interpretation of any of its provisions, as well as doubts as to the legality or ethical character of his or her actions and the application and realisation of the principles of compliance indicated in this Policy, the employee shall be obligated to contact the Group Compliance Officer.
- 4.4 The Group Compliance Officer shall report regularly and as needed to the Executive Directors of the Company about the general functioning and compliance to the anti-bribery and anti-corruption policy within the Group. This includes the process of implementing and/or improving the system of anti-bribery and anti-corruption compliance and reporting of any violations, internal investigations and deficiencies in the internal compliance controls during the reporting period.

## 5. WHAT IS BRIBERY?

- 5.1 Bribery is the most common form of corruption and can be broadly defined as the offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value (financial or non-financial, tangible or intangible) or of an advantage so as to induce or influence an action or decision.
- 5.2 Although many people think of bribery as giving someone cash, it can also take shape in the form of gifts-in-kind, discount offers, votes, services (including sexual favours), job position/placement, loans and other forms of payment. It need not necessarily be of large value.
- 5.3 It is important to remember that, in most cases, it will be irrelevant whether the bribe is accepted or not; merely offering the bribe will usually be sufficient for an offence to be committed. Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.
- 5.4 Bribery can be direct or indirect (e.g. giving a bribe via a third party).

5.5 Bribery is illegal. Employees must not engage in any form of bribery, whether it be directly, passively (as described above), or through a third party (such as an agent or distributor). Employees must not bribe nor accept bribes in any degree and if there is uncertainty about whether something is a bribe or a gift or an act of hospitality, they must seek further advice from the Group Compliance Officer who is designated to take charge of the Group's legal and ethical compliance.

## 6. WHAT IS AND WHAT IS NOT ACCEPTABLE?

### 6.1 General Prohibitions And Requirements

6.1.1 Employees shall not engage in bribery of any type and shall comply with all aspects of this Policy, including the specific prohibitions and requirements set out here as well as all applicable anti-bribery and anti-corruption laws.

#### 6.1.2 Payments to Public Officials

- a. For the purpose of this Policy, "public official" means an officer to a public body.
- b. Employees shall not directly, or indirectly through another person or entity, give, offer or promise any financial or other advantage to a Public Official or to a family member of a Public Official knowing or intending that in exchange for some or all of the financial or other advantage the Public Official will use his or her influence or office to assist us in obtaining or retaining business, directing business to another person or entity or obtaining any other business advantage.
- c. Employees should take extra care when interacting with Public Officials and their family members to avoid any appearance of impropriety.
- d. It is an employee's responsibility to take precautions when dealing with someone who is a Public Official. When in doubt, the Group Compliance Officer should be consulted.

#### 6.1.3 Payments to Private Parties

In connection with the Group's businesses, employees shall not directly, or indirectly through another person or entity, give, offer or promise any financial or other advantage to any private party intending to induce or reward a breach of trust, impartiality or good faith.

## 6.1.4 Receiving Improper Payments

In connection with the Group's businesses, employees shall not directly, or indirectly through another person or entity, request, agree to receive or accept any financial or other advantage intending to induce or reward a breach of trust, impartiality or good faith.

## 6.2 Gifts And Hospitality

6.2.1 The Group has adopted a "No Gift Policy" whereby, **subject only to certain narrow exceptions**, employees are prohibited from, directly or indirectly, receiving or providing gifts.

6.2.2 A gift comprises cash or cash equivalents, free fares, travelling facilities, entertainment expenses, services (including sexual favours), club memberships, hampers, jewellery, decorative items and any item of high value. Cash equivalents could be in the form of vouchers, lottery tickets, discounts, coupons, shares, commission etc.

6.2.3 We acknowledge normal and appropriate gestures of business hospitality (whether given to/received from third parties), provided the giving or receiving of gifts is not made with the intention of influencing the recipient, to obtain or reward the retention of a business or business advantage, or as an explicit or implicit exchange for favours or benefits.

6.2.4 We recognise the practice of giving and receiving business gifts varies between countries, regions, cultures, and religions, so definitions of what is acceptable and unacceptable will inevitably differ for each.

6.2.5 As a general principle, the rationale test should always be applied to determine **whether in all circumstances the gift to be given or received is reasonable and justifiable rather than lavish and extraordinary**. The intention behind the gift should always be considered and nothing should be specifically expected or demanded in return which may improperly influencing the decision making of the recipient. If there is any uncertainty, the advice of the Group Compliance Officer should be sought.

### 6.2.6 Entertainment

- a. We acknowledge that providing or accepting a reasonable and modest level of entertainment is a legitimate way to network and build good business relationships.
- b. Any entertainment activities involve Public Officials shall be reported or declared to the Group Compliance Officer.

- c. Employees must always be alert and educate themselves on the local government policy, guidelines, laws and regulations when dealing with Public Officials especially in foreign countries as entertainment of Public Officials may be regarded as potential to bribe.
- d. It is important to exercise proper care and judgment when providing entertainment to customers or third parties or accepting entertainment offered or provided by supplier or third parties. This is not only to safeguard company reputation, but also to avoid allegations of impropriety or undue influence against employee.
- e. Employees are required to comply with the policies and procedures in Employee Handbook or human resource practices and maintain entertainment expenses within the employee's claim limits, when carrying out entertainment activities.

## **6.2.7 Meals**

Employees may host meals and receptions for customers and prospective customers of the Group and their respective representatives, provided it is reasonable in amount and not extravagant.

## **6.2.8 Travel And Accommodation**

- a. Employees shall not be paid or reimbursed for the travel expenses unless the expenses are related to a permissible purpose. Prior approval from the Group Compliance Officer must be obtained before agreeing to pay such expenses on behalf of a Public Official upon his request, and all relevant records relating to such expenditures should be kept. Travel and accommodation costs of Public Official should be modest and compliant with the public body's own travel restrictions.
- b. Travel and accommodation costs should be paid directly to the third party provider. In certain circumstances, when payment made directly to the third party provider is not possible, payment can be made with prior approval from the Group Compliance Officer. Proper receipts and documents should be obtained from Public Official for record purposes.

## **6.2.9 Limit Of Authority**

In addition to the general guide outlined above, no gifts and hospitality expenses of value of more than RM1,000 per person shall be offered, provided or accepted unless they have been suitably approved in advance by the Group Compliance Officer who shall maintain a Gift & Hospitality Register of all such requests and approvals for regularly review of such register.

## **6.3 Facilitation Payments And Kickbacks**

- 6.3.1 Facilitation payments are unofficial payments or other advantages made with the intention to secure or expedite the performance of a routine or necessary action by Public Official or third party.

The Group shall not tolerate any form of facilitation payments of any nature in its business.

- 6.3.2 Employees are prohibited from offering or accepting kickbacks that are typically made in return for a business favour or advantage.

## **6.4 Donations, Sponsorships And Charitable Contributions**

- 6.4.1 Any donations, sponsorships and charitable contributions by the Group must be done with the approval of Head of Division or Head of Business Unit and it must be done in a transparent manner for social and moral responsibility.

- 6.4.2 It should never be paid in exchange for any business implications to the Group, whether it is to obtain a business, or to obtain some form of advantage of the business of the Group.

- 6.4.3 Employees are permitted to make donations and charitable contributions in their personal capacity, but it should never be in exchange for any improper purposes that affects the business of the Group.

- 6.4.4 All employees of the Group should not agree or promise to provide any form of political contribution particularly where it is to obtain any business or advantage to the Group. Any requests for political contributions should be brought to the attention of the Group Compliance Officer immediately.

## **6.5 Dealing With Public Officials For Obtaining Official Approvals, Permits And Licenses**

Employees should not make payments, or give any other advantage to Public Officials, beyond what is required by law or local regulations to obtain a permit, license, or other necessary approvals.

## **6.6 Dealing With Suppliers, Contractors And Third Parties**

- 6.6.1 We have established processes and adhere to the procurement Standard Operating Procedures on supplier and contractor selection. Supplier and contractor selection should never be influenced by the receipt of a gift, hospitality or payment. When there is a structured invitation for the supply of goods and services (often called a “tender”), the Group shall maintain documentation supporting our internal controls.



- 6.6.2 A tender process includes an invitation for other parties to make a proposal on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate prior, closed-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality.

## 7. EMPLOYEE RESPONSIBILITIES

- 7.1 **Employees have a duty to read, understand, familiarise and adhere with the directives and information specified in this Policy** and with any training or other anti-bribery and anti-corruption information provided. All employees shall certify in writing that they have read, understood and will abide by this Policy. A copy of this declaration shall be retained by the Human Resources Department for the duration of the personnel's employment.
- 7.2 All employees are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption. Employees are required to avoid any activities that could lead to, or imply a breach of this Policy.
- 7.3 Employees should always be alert to any indication or evidence of possible violations of this Policy. If an employee has reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, the employee must report to the Group Compliance Officer for next course of action.
- 7.4 Employees who violate this Policy will result in disciplinary action including dismissal for gross misconduct. The Group reserves the right to terminate a contractual relationship with an employee who violates this Policy. Penalties for violating the law as an individual may include imprisonment, probation and significant monetary fines which will not be paid by the company.
- 7.5 The Board of MFCB has oversight of this Policy and the Group Compliance Officer is responsible in ensuring the compliance with this Policy.

## 8. REPORTING OF POLICY VIOLATIONS OR RAISING CONCERNS

This section covers 3 areas:

- a. How to raise a concern or reporting a violation?
- b. What to do if an employee is a victim of bribery or corruption?
- c. Protection

## **8.1 How To Raise A Concern Or Reporting A Violation?**

- 8.1.1 Employees are encouraged to whistleblow or raise their concerns on any issue or suspicion of violations at the earliest possible stage. If there is uncertainty about whether a certain action or behaviour constitutes bribery or corruption, employees should speak to their line manager, the Group Compliance Officer or a Director.
- 8.1.2 Management will familiarise all employees with whistleblowing procedures so that employees can vocalise their concerns swiftly and confidentially through the channel established under the Group's Whistle-Blowing Policy available on the MFCB website. All concerns raised in good faith are taken seriously and the Group is committed to ensure that all matters raised are addressed in a timely and appropriate manner.

## **8.2 What To Do If An Employee Is A Victim Of Bribery Or Corruption?**

Employees must tell the Group Compliance Officer as soon as possible if they are offered a bribe, are asked to make one, suspect that they may be offered a bribe or asked to make a bribe in the near future or if they have reason to believe that they are a victim of another unlawful activity.

## **8.3 Protection**

- 8.3.1 If employees refuse to accept or offer a bribe or report a concern relating to potential act(s) of bribery or corruption, we understand that they may feel worried about potential repercussions. We encourage openness and will support anyone who raises concerns in good faith under this Policy, even if an investigation proves that they are mistaken.
- 8.3.2 We are committed to ensuring no one suffers any detrimental treatment as a result of reporting a concern relating to potential act(s) of bribery or corruption.
- 8.3.3 Detrimental treatment refers to dismissal, disciplinary action, threat, or unfavourable treatment in relation to the concern the individual raised.
- 8.3.4 If employees have reason to believe they have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, they should inform the Group Compliance Officer or the Director immediately. If the matter is not remedied they should raise it to the Executive Directors of the Company.

## **9. TRAINING AND COMMUNICATION**

- 9.1 We will provide awareness training on this Policy as part of the induction process for all new employees. Employees will also receive regular updates and relevant training on how to adhere to this Policy. The Human Resources Department shall maintain records on the training schedule and the employees have received training.

- 9.2 We will provide relevant training to employees etc. where we feel their knowledge of how to comply with the MACC Act needs to be enhanced. As good practice, all businesses should provide their employees with training where there is a potential risk of facing bribery or corruption during work activities.
- 9.3 The Group's Anti-Bribery and Corruption Policy and zero-tolerance attitude will be clearly communicated to all relevant parties at the outset of business relations, and as appropriate thereafter.

## 10. RECORD-KEEPING

- 10.1 The Group will keep detailed and accurate records, and will have appropriate internal controls in place to act as evidence for all payments made.
- 10.2 Employees must ensure all expense claims relating to gifts, hospitality or expenses incurred to third parties are submitted in accordance with the company's expense policy and specifically record the reason for the expenditure.

## 11. CONTINUOUS IMPROVEMENT

- 11.1 The Company adopts ABMS 37001:2016 as its management system to prevent, detect and mitigate the risk of bribery within the defined scope of the Group.
- 11.2 In maintaining this Policy, the Group is committed to satisfying the requirements set out in ABMS 37001:2016. The Group Compliance Officer is responsible for implementation of this Policy and ABMS 37001:2016.
- 11.3 Internal control systems and procedures designed in accordance to ABMS 37001:2016 are subject to regular audits or assessments to ensure that they are effective in practice. Audit or assessment documentations should include performance improvement action plans.
- 11.4 The Group is committed to continual improvement of our ABMS 37001:2016. The Group Compliance Officer will review its suitability, adequacy, and effectiveness on a regular basis through measure, analyse and evaluate its scope, policies, procedures and controls match the bribery and corruption related risks faced by the Group.
- 11.5 Any need for improvements will be made and applied as soon as possible. Employees are encouraged to offer their feedback on this Policy and ABMS 37001:2016 if they have any suggestions for how it may be improved. Feedback of this nature should be channelled to the Group Compliance Officer. Employees, officers and Directors will be fully informed of any material revisions to this Policy and ABMS 37001:2016.

- 11.6 This Policy does not form part of an employee's contract of employment and it may be amended at any time to improve its effectiveness for countering bribery and corruption.