



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

MINORITY SHAREHOLDERS WATCH GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. POLICY STATEMENT

Minority Shareholders Watch Group (MSWG) adopts a zero-tolerance policy against all forms of bribery and corruption conduct. This policy incorporates MSWG's core principles and aims to provide guidance to employees and third parties on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

MSWG is committed to take all necessary measures to ensure that it does not participate in corrupt activities and to implement adequate procedures effectively to comply with the provisions of Section 17A of the amended Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009), where deemed relevant.

This Policy complements, and should be read in conjunction with, MSWG's Whistleblower Policy, which can be obtained from www.mswg.org.my

Employees, associates, directors of the organisation, and third parties who deal with MSWG, are expected to observe this Policy and uphold the highest standards of ethical conduct, integrity and accountability in the day-to-day course of business.

Engaging in bribery or corrupt conduct could jeopardise your and MSWG's reputation. MSWG employees may face dismissal, fines and imprisonment, and third parties may cease to be a business partner and/or stakeholder, and the company may face damage to reputation, financial loss and other adverse consequences.

Employees, associates and service providers who have any doubt, about the scope of applicable laws or the application of MSWG's policies concerning its stance against bribery and corruption, should talk to the Chief Executive Officer immediately.



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2. OBJECTIVE OF THE POLICY

This policy is to provide guidance for all employees, associates and directors of MSWG, and third parties who deal with MSWG, on how to deal with acts concerning bribery and corruption.

3. SCOPE OF THE POLICY

This policy is not intended to be exhaustive or provide definitive answers to all questions concerning bribery and corruption. Rather, it is a set of universal principles that MSWG expects its employees and third parties, who do business with MSWG, to uphold.

This Policy applies to MSWG's employees, associates, directors and third parties who do business with MSWG. It reflects the standards to which MSWG expects its employees, associates, directors, third parties who do business with MSWG, to adhere when acting with or on MSWG's behalf.

This Policy refers to "bribery and corruption" as standard terms to cover all types of gratification.

MACC Act 2009 defines "gratification" to mean –

- 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;



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- e. any forbearance to demand any money or money's worth or valuable thing;
- f. any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- g. any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

4. GIFTS, HOSPITALITY (MEALS AND ENTERTAINMENT) AND SPONSORSHIP

Gifts, Hospitality (Meals and Entertainment) and Sponsorship are usually assessed as high risk areas for bribery and corruption. MSWG requires employees, associates, directors and third parties, who do business with MSWG, to abide by this Policy to avoid conflict of interest, or the appearance of conflict of interest, at any stage of business dealings between MSWG and external parties.

4.1 Gifts¹

4.1.1 MSWG has adopted a “No Gift Policy” whereby, subject only to certain narrow exceptions, MSWG employees, associates, directors, and their family members are prohibited from, directly or indirectly, receiving/providing/soliciting gifts, entertainment, sponsorship or hospitality from third party who have dealings with MSWG.

4.1.2 Although generally MSWG practises a “No Gift Policy”, there are certain exceptions to the general rule whereby, the receiving and provision of gifts are permitted in the following situations:

¹ Gifts means any gifts given to employees, associates, directors and received from third parties who have dealings with MSWG



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- a. Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit or courtesy call and thereafter the said gift should be treated as company property).
- b. Gifts from company to external institutions or individuals in relation to the company's official functions, events and festival celebrations.
- c. Corporate gift² bearing the company name and logo that are received by MSWG employees, associates, directors or being given out to members of the public or key stakeholders attending events such as seminars, conference and et cetera.

4.1.3 Any gift must be unsolicited and not affect, or be perceived to be affecting, business judgment. Cash, loans, kickbacks or the equivalent advantages are absolutely prohibited.

4.2 Hospitality³ (meals and entertainment)

4.2.1 Hospitality must be unsolicited and not affect, or be perceived to be affecting, business judgment. Meals and entertainment should only be offered to MSWG representative and received in conjunction with legitimate business meetings, conferences or events hosted, supported or sponsored by MSWG.

4.2.2 MSWG's hospitality must **not exceed RM250** (for executive and above) and in any event, must **not occur more than two times a year** with the same person. Spouses or other guests of the invitee must not be included.

² Corporate gift may include those in the form of diaries, table calendars, pens, thumb drives, notepads and plaques etc.

³ Hospitality (meals and entertainment) means meals and entertainment given to MSWG employees, associates, directors from third parties who have dealings with MSWG and also those given by MSWG employees.



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4.3 Sponsorship

4.3.1 MSWG's employees, associates, directors and third parties who have dealings with MSWG must not request or solicit favours via sponsorship or any benefit in-kind that could in any way influence the judgment of the recipients by causing the recipient to act in violation of their legal duty in their dealings with or on behalf of MSWG.

4.3.2 All requests must be made by well-established organisations on their official letterhead to MSWG, regardless of value.

4.4 Basic Rules on Gifts and Hospitality Expenses

4.4.1 MSWG acknowledges that the exchange of business courtesies, such as modest gifts and hospitality, particularly during festive season, is customary and legitimate to create goodwill, and/or strengthen relationships.

4.4.2 Such courtesies are allowed if they are not lavish, inappropriate or unreasonable in relation to the nature of the relevant businesses that MSWG undertakes. The courtesies received shall not improperly create undue influence on decision-making.

The basic rules on Gifts and Hospitality expenses are:

- **Bona fide:** If it is a gift, entertainment or hospitality, it should be given clearly as an act of appreciation, if travel expenses; then for a bona fide business purpose.
- **No obligation:** The activity would not create any obligation on, or expectation of, the recipient.
- **No undue influence:** The expenditure will not be perceived as intended for, or capable of, exerting undue influence in relation to a business transaction.



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- **Made openly:** It will not be performed in secret and be undocumented – if it is, then the purpose becomes questionable.
- **Legality:** It is compliant with relevant laws.
- **Accords with stakeholder perception:** The activity would not be viewed unfavourably by stakeholders should it be made known to them.
- **Proportionate:** The value and nature of the expenditure is not disproportionate to the occasion.
- **Conforms to the recipient's rules:** The gift, hospitality or reimbursement of expenses will meet the rules or code of conduct of the recipient's organisation.
- **Infrequent:** The giving or receiving of gifts, entertainment and hospitality is not overly frequent between the giver and the recipient.
- **Documented:** The expense will be fully documented including purpose, approvals given and value. Employees of MSWG are expected to be transparent in their disclosure of gift, entertainment and hospitality received from third party.
- **Reviewed:** The records of entertainment and hospitality expenses and the effectiveness of the policy and procedures are reviewed by management.

4.4.3 When unsure, employees, associates and directors should consult the CEO.

5. FACILITATION PAYMENTS & KICKBACKS

5.1 “Facilitation Payments” are defined as payments made to secure or expedite the performance of a person performing a routine or administrative duty or function. “Kickbacks” are typically payments made in return for business favour or advantage.



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- 5.2** MSWG prohibits all its employees, associates, directors and third parties, who have dealings with MSWG, from making or accepting, facilitation payments or “kickbacks” of any kind. Employees, associates, directors and third parties who have dealings with MSWG must avoid any activity that might lead to a facilitation payment or kickback being made or accepted.
- 5.3** Any request for a facilitation payment **MUST** be refused and the matter **MUST** be reported immediately to MSWG according to the Whistle-blower Policy.
- 5.4** All employees, associates and directors are reminded that offering and/or receiving “facilitation payments” / “kickbacks” are deemed as major misconduct.

6. RECRUITMENT OF EMPLOYEES

- 6.1** MSWG provides equal opportunity for any qualified and competent individual to be employed by the company from various multicultural, multireligious and multiracial background, sourced locally and internationally.
- 6.2** The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.
- 6.3** In line with this, for all recruitments:
 - Proper background checks should be conducted in order to ensure that the potential employee is suitable for employment;
 - Offers of employment should not be given in exchange as a reward for any benefit received by MSWG. The Company should not offer employment, procure and/or create an opening within the organisation in exchange for a personal benefit received.



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7. WHISTLEBLOWING POLICY: RAISING A CONCERN OR COMPLAINT

- 7.1** Our success in combating all forms of bribery and corruption hinges on MSWG's personal commitment to adhere to this Policy. Therefore, it is MSWG's responsibility to promptly report any suspected contraventions of this Policy.
- 7.2** If you have any suspicions or concerns regarding conduct to which this Policy applies, or if you are aware of any action in conflict with this Policy, you must report those concerns or actions confidentially, by following the procedure set out in the Whistleblowing Policy that is made available via the Company's website www.mswg.org.my.
- 7.3** Employees who fail to report known or suspected violations may be subject to disciplinary action including termination of employment. In Malaysia, any person who knows and fails to report an act of giving and offering of bribes may be committing offences under Section 25 (1) and (2) and Section 17A of the MACC Act 2009, amongst others.
- 7.4** Any report made in accordance with Section 13.2 of the MACC Act 2009 will be treated with utmost confidentiality. No employee, or associate acting in good faith, will suffer adverse consequences to his employment or retaliation for reporting or for refusing to engage in prohibited conduct, even if such refusal results in loss of business opportunities to MSWG.
- 7.5** If you believe that you have suffered any detrimental treatment as a result of refusing to take part in bribery, or because of reporting concerns under this Policy in good faith, you should raise the matter by following the procedures set out in the Whistle-blower Policy that is made available via www.mswg.org.my.

8. TRAINING AND COMMUNICATIONS

- 8.1** MSWG employees and associates will be provided with regular anti-corruption compliance training programmes to educate them about the requirements and obligations of anti-bribery and corruption laws and this Policy.



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- 8.2** For successful compliance of this policy, MSWG's management will be responsible to ensure continuous efforts to communicate, train and educate all employees and associates.
- 8.3** Records pertaining to training, education and communication programmes of MSWG's employees, associates and directors are kept and maintained by MSWG for reference.

9. SYSTEMATIC REVIEW & MONITORING

- 9.1** MSWG recognises that managing an anti-bribery and corruption programme is a continuous process and a systematic review and monitoring process is necessary to ensure its objectives are being met.

The CEO 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 review carried out by an external party, where necessary.

- 9.2** The scope of the review should include evaluations of the design, effectiveness and compliance and provide recommendations for improvements, where required, to ensure that the programme and policy remain relevant and adequate.

10. RECORD KEEPING

- 10.1** The Company and the respective business units will keep financial records and have appropriate internal controls in place which will evidence the business reasons for making payments to, and receiving payments from, any person.
- 10.2** Employees, associates and directors must ensure that all expense claims relating to hospitality, gifts or expenses incurred are submitted in accordance with the Company's applicable policy and specifically record the reason for such expenditure. Employees shall further ensure that all expense claims shall comply with the terms and conditions of this policy.



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- 10.3** All accounts, invoices, contracts and other documents and records relating to such dealings shall be prepared and maintained with strict accuracy and completeness.
- 10.4** All employees, associates and directors are reminded that no records shall ever be kept “off-book” to facilitate or conceal improper payments. All record keeping and document management systems shall be fully in-line with the respective MSWG’s operating policies.

11. EFFECTIVE DATE

The Policy is approved by the Board of Directors and effective as of 10 June 2020.