

MARCO HOLDINGS BERHAD

[Registration No. 196901000631 (8985-P)] [Incorporated in Malaysia]

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1.0 Introduction

This Anti-Bribery and Anti-Corruption ("ABAC") Policy is prepared with reference of the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act, 2009.

The Board of Directors and management of Marco Holdings Berhad and its subsidiary companies (collectively referred to as the "Group") is committed to conducting its business professionally, ethically and with the highest standard of integrity. The Group practices a zero-tolerance approach against all forms of bribery and corruption and upholds all applicable laws in relation to anti-bribery and anti-corruption.

2.0 Objective

The main objective of the ABAC policy is to ensure that the Group has established the necessary safeguards which should prevent any conduct of bribery or corruption from happening and to provide the information and guidance on how to recognise and deal with bribery and/or corruption.

This Anti-Bribery and Anti-Corruption ("ABAC") Policy is developed to: -

- Set out the responsibilities of the Group, and of those working for the Group, in observing and upholding the Group's position against corruption and bribery; and
- Provide information and guidance to those working for the Group on how to recognise and deal with corruption and bribery issues.

The situations as described below in this ABAC Policy are not intended to be exhaustive and therefore may cover other situations as and when there is a change in law or circumstances in which the Group is operating in.

3.0 Scope

This ABAC Policy is applicable to all Directors and Employees of the Group (collectively referred to as "**Personnel**"). This includes all Personnel working at all levels and ranks, including Company directors, chief executive officer, managers, and employees of the Company.

It is also expected that all third parties such as contractors, sub-contractors, consultants, agents, vendors, tenants, intermediaries, representatives and other persons or entities performing work or services for or on behalf of the Group ("**Third Parties**") should be made aware of this ABAC Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and provisions relating to bribery and corruption.

The term “**public officials**” when used in this ABAC Policy shall mean official of any governments, government agencies or any regulatory, statutory or administrative bodies, whether local or foreign. This includes elected and appointed officers or employees of national, municipal or local governments (including individuals holding legislative, administrative and judicial positions), officials of political parties and candidates for political offices, employees of government or state-controlled companies and government-linked companies.

In the event where there is a conflict between this ABAC Policy and any applicable anti-bribery and/or anti-corruption related law(s), the applicable law(s) shall prevail and all Personnel and Third Parties shall comply with the applicable law(s).

4.0 Anti-Bribery and Anti-Corruption Policy

4.1 Bribery and Corruption in all its forms as it relates to the activities of the Group is strictly prohibited.

4.2 Bribery and corruption refer to the offering, promising, giving, accepting or soliciting of an undue advantage or gratification as an inducement or reward for a person acting or refraining from acting in relation to the performance of the person's duties, which is illegal, unethical or a breach of trust.

Bribery and corruption may take forms in but are not limited to kickbacks, inflated commissions, expensive gifts, excessive or inappropriate entertainment. Corrupt practices include extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

4.3 No Personnel or Third Parties of the Group will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

4.4 The Group is also committed to conducting due diligence checks on prospective personnel, particularly if it relates to appointments to positions where a more than minor bribery or corruption risk has been identified.

5.0 Guidance on Common Forms of Bribery and Corruption

5.1 Gifts

All Personnel are prohibited from receiving and/or offering the following:

- (a) Any gift of cash or cash equivalent, including but not limited to gift certificates / vouchers / coupons, discounts, commission, payment of credit card charges, shares, and loans whether directly or indirectly to obtain a business or business advantage of any kind;
- (b) Any gifts provided or received with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required;

- (c) Any gifts involving parties during a tender or competitive bidding exercise;
- (d) Any gift that would be illegal or in breach of applicable laws; and
- (e) Any gift which is lavish and/or excessive or may adversely tarnish the reputation of the Group.

Corporate gifts, festive or ceremonial gifts may be received from or given to Third Parties provided it fulfils the conditions as stipulated below:

- (a) made for the right reason – it should be offered or received as an act of appreciation or common courtesy (example. associated with festive seasons or other ceremonial occasions);
- (b) no expectation / obligation – there must not be any expectation of any favour or improper advantage from the receiver. It must not be used to cause or induce the receiver to improperly or illegally influence any business action or inaction or cause others to perceive an improper influence;
- (c) reasonable value – its value must commensurate with the occasion and in accordance with general business practice; and
- (d) legal – it complies with the applicable customs and laws in the countries of both the offeror and recipient of the gift.

5.2 Hospitality and/or Entertainment

Hospitality means food and beverages consumed during a business meal, travel expenses (airfare, accommodations, taxi or car fare) or corporate related events or activities organised by the Group, which may involve entertainment of employees and/or other parties for the benefit of the Group. Entertainment includes tickets or admissions to sporting or cultural events (whether as a spectator or participant).

The Group prohibits the receiving and/or offering of hospitality and/or entertainment in the following situations:

- (a) Any hospitality and/or entertainment provided or received with a view to improperly cause undue influence on any party in exchange for some future benefit or result;
- (b) Any hospitality and/or entertainment provided or received with a direct/indirect suggestion, hint, understanding or implication that some expected or desirable outcome is required;
- (c) Any hospitality and/or entertainment involving parties engaged in an on going tender or competitive bidding exercise;
- (d) Any hospitality and/or entertainment provided or received that would be illegal or in breach of any applicable laws;
- (e) Any hospitality and/or entertainment that are sexually oriented; and
- (f) Any hospitality and/or entertainment provided or received that would be perceived as lavish or excessive or may adversely tarnish the reputation of the Group.

The Group recognises that providing hospitality through corporate events, sport events or other public events or that occasional acceptance of appropriate and proportionate entertainment provided by Third Parties in the normal course of business is a legitimate way to network and build business relationships.

Notwithstanding, all Personnel must exercise due care and judgement when receiving and/or offering hospitality and/or entertainment as guided by the principles as laid down under Section 5.2

All Personnel must further exercise additional due care and judgement when providing hospitality and/or entertainment to public officials.

5.3 Donations & Sponsorships

Donations and charitable support are acceptable (and indeed encouraged), however, directors and employees must be careful to ensure that donations and charitable contributions are not used as a scheme to conceal bribery.

All Personnel must ensure that all Donations & Sponsorship are made through legal and proper channels, by way of proper due diligence or background checks made to ensure that they are licensed and legitimate organizations which are legally permitted to accept public donations and sponsorships.

Prior approval in making any Donations and Sponsorships on behalf of the Group shall be obtained and recorded accurately and made transparently. For avoidance of doubt, the authority limits for all donations and sponsorships shall be: -

- Up to RM 1,000: Executive Director.
- Above RM 1,000: Chairman of the Board

5.4 Political Contributions

Subject to any law that govern political contributions, the Group may make contributions to political parties or candidates. All political contributions require the approval of the Chairman of the Board.

5.5 Facilitation Payment and/or Extortion Payment

The Group prohibits accepting or giving, whether directly or indirectly, any facilitation or extortion payments.

Facilitation payments are a form of payment made personally to an individual or group in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function (e.g. influencing the timing of process or issuing of permits). Extortion payment is the demanding of a gratification, whether or not coupled with a threat if the demand is refused.

There may be situations where the Personnel has no alternative but to make facilitation payments in order to protect themselves from injury, loss of life or liberty or damage to property. In such situations, this must be reported to the Chairman or the Executive Members of the Board.

6.0 Record Keeping

The Group must ensure that accurate and complete records (accounts, invoices, and documents) are maintained for all payments as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/ or unethical conduct.

All Personnel must declare any gifts with monetary value exceeding RM1,000 received or offered for recording in a Gifts Register maintained at the respective Division / Department / Unit which will be subjected to internal audit review. The Gifts Register shall include such details as date; receiver's or offerer's name; description of the gift and purpose for giving or receiving the gift.

7.0 Whistleblowing

All Personnel and Third Parties has a responsibility to ensure that any actual or suspected incidents of Bribery and Corruption are immediately reported. Reporting of violation procedures can be referred to the Group's *Whistle Blowing Policy*.

Reports made in good faith shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

8.0 Violation and Investigation

Any conduct which is non-compliant or in violation of this ABAC Policy and/or applicable laws will be taken seriously and will be subject to strict disciplinary actions and/ or legal proceedings. The Group reserves its right to terminate the employment with such Personnel in the event such Personnel is found to have committed an act of breach of this Policy.

For Third Parties, non-compliance may lead to penalties including termination of contracts and business dealings. Further legal action may also be taken in the event that the Group's interests have been harmed as a result of non-compliance.

The process will be co-ordinated and investigated by Group Internal Audit and shall be reported to the Audit Committee.

9.0 Monitoring and Review

This ABAC Policy is to be reviewed regularly by the Company's Board of Directors, at least once every three (3) years, to ensure that the policy remains relevant and appropriate or as necessary when there is a change in law or circumstances in which the Group is operating in.

10.0 Awareness and Declarations

All Personnel are required to confirm in writing that they have read, understood and will abide this ABAC Policy at all times. A copy of the signed declaration shall be documented and retained by Human Resource Department.