

1. INTRODUCTION

The anti-bribery and corruption policy provides guidance to employees on how to recognize and deal with improper solicitation, bribery and any other corruption activities and issues that may arise in the course of business. The policy is intended to provide employees with a basic introduction on how to prevent bribery and corruption attempt in addition to the Group's commitment to lawful and ethical behavior at all times.

The anti-bribery and corruption policy apply to all employees and directors (executive and non-executive) under Malpac Group and including their immediate family members. Additionally, the policy extends to all business partners, agents, consultants, and any other external parties performing work or services for or on behalf of Malpac Group (the "employees and associates").

2. GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY EVENTS

2.1 Gift

"Gift" includes money, goods or services given whether as a mark of building good relationship or appreciation or otherwise. The terms could also refer to favors, advantages and preferential treatments as well as any form of entertainment provided to the recipient even if the giver is absent from the entertainment.

2.2 "No Gift" Policy

Malpac Group has adopted a 'No Gift' Policy whereby, subject only to specified exceptions, all employees and associates acting for or on behalf of Malpac Group are prohibited from, directly or indirectly receiving and/or providing gifts. It is the responsibility of employees and directors to inform external parties involved in any business dealing with Malpac Group that our company practices a 'No Gift Policy' and to request the external party for their understanding and attentiveness for and adherence to this policy.

Exceptions To The "No Gift" Policy

- Gifts from Malpac Group to external company or individuals in relation to their company's official functions, events and celebrations (e.g. flowers for new company opening or door gifts offered to all guests attending events)
- Gifts from Malpac Group to employees and directors in relation to an internally recognized company function and trip, event and celebration (e.g. company dinner and trip or recognition of an employee's service to the company)
- Nominated employees, employees on duty and directors who are eligible to participate in Malpac Group inspection trips and/or incentive tours (local or overseas) and the expenses are sponsored by the company.
- Hotel accommodation in conjunction with the company events and trips whereby the expenses are fully sponsored by the company.
- Marketing token gifts of nominal value bearing the company logo (e.g. t-shirts, pens, diaries and other promotional items) that are given out to members of the public, customers, partners and key stakeholders attending events such as training, conferences, meetings, tradeshow and like and deemed as part of the company's brand awareness or promotional activities.
- Gifts to external parties who have no business relations and / or dealings with Malpac Group (e.g. monetary gifts or gifts in-kind to charity organizations)
- Monetary gifts such as "Ang-pow" red packets with amount equivalent to **RM100** or less received from customers or business associates during festive occasions (e.g. Chinese New Yew, Hari Raya Aidilfitri and Deepavali) in accordance with tradition is acceptable and no declaration is needed.

- For any non-monetary gifts (e.g. hamper, souvenir, discount rebate, dining or shopping voucher) received during festive occasions with value equivalent to **RM1000** or less is acceptable and no declaration is needed.
- However, for those received that are of value equivalent to above **RM1000**, the receiving employee or director must declare and handover the gifts to Chief Executive Officer. The Chief Executive Officer will then determine the treatment of gifts as to whether to:
 - a) Donate the gift to charity organization; or
 - b) Return the gift to the donor; or
 - c) Share with other employees within the Company; or
 - d) Retain it for departmental display; or
 - e) Permit it to be retained by the employee.
- For any non-monetary gifts received of value more than **RM1000**, the employees or directors must declare to Chief Executive Officer accordingly. After declaration is made, the receiving employee or director may retain the gift provided such are deemed by the Chief Executive Officer not to compromise business judgement.

2.3 Entertainment

“Entertainment” may include meals, tickets to movies, musicals, social and any events where the giver is present at the function with the recipient with all appearances for the purpose to foster good business relationship.

Circumstances When Entertainment May Be Accepted

- Malpac Group recognizes that the occasional acceptance and provision of a reasonable entertainment by / to the external parties in the normal course of business is important to foster good business relationship.
- Accepting or offering entertainment such as occasional business meal and attending events as part of usual business networking where the giver is present is acceptable and does not need to be reported. However, if the giver is absent, it is treated as “Gift” and it must be declared to Chief Executive Officer.

Circumstances When Entertainment Cannot Be Accepted

- All employees and directors shall not solicit any form of entertainment from anyone in connection with work and business related.
- All employees and directors shall not propose to external parties (e.g. vendors, customers or any business associates) to provide or sponsor entertainment for any events and staff function for any company under the Malpac Group.

It is important for employees and directors to exercise proper care and judgement before accepting any entertainments offered or provided by external parties. If an employee feels that the level and value of the entertainment to be provided is likely to be beyond accepted business practices, they should seek guidance from the Chief Executive Officer so as to determine whether it is appropriate to accept such entertainment.

2.4 Corporate Hospitality Event

“Corporate Hospitality” generally refers to corporate events or activities by an organization which involves the employees and external parties (e.g. customers, potential customers, contractors, external companies, etc.) for the benefit of the organization. A decision to provide and receive a corporate hospitality event with any parties must be solely based on business considerations, free from bias and in the best interest of the Malpac Group.

2.5 Proceedings

If you find or suspect any employees or directors of Malpac Group or external parties who has business relationship with the company subject to this policy has violated or about to violate this policy whether intentionally or unintentionally, you must report to the Chief Executive Officer. Under our whistleblowing policy, your identity will be protected.

3. FACILITATION PAYMENT

“Facilitation Payment” refers to unofficial payment made to secure or expedite a routine government action by a government official. Such payments are considered bribes and prohibited by the laws of Malaysian Anti-Corruption Commission Act 2009. Malpac Group prohibits facilitation payments and if any employees is in doubt about the legitimacy of a payment that you are requested to make, kindly seek advice from the Compliance department.

4. POLICY VIOLATIONS

Malpac Group prohibits and has zero tolerance for bribery and corruption in any form. Any employee or associate found guilty of bribery and corruption shall be subject to severe disciplinary action, including dismissal of employment or termination of contact as the case may be and may also be subject to prosecution under the law of Malaysian Anti-Corruption Commission Act 2009.

4.1 *Implications*

- A maximum fine of 10 times the sum of gratification involved; or
- A maximum jail term of 20 years; or
- Both penalties of fine and jail term.

4.2 *Who is liable?*

- Employee
- Director
- Controller
- Officer
- Partner; or
- A person concerned in the management of the organization’s affairs.

4.3 *Dealing with violators*

When someone offers a gift or favour for your personal gratification, monetary or otherwise, turn down the offer politely and explain to him that the Company has a no gift policy and that he should respect that policy because recipients may be committing a jailable offence by accepting.