



**MATRIX CONCEPTS HOLDINGS BERHAD**

**ANTI-BRIBERY AND  
ANTI-CORRUPTION POLICY**

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## 1. POLICY STATEMENT

- 1.1. Matrix Concepts Holdings Berhad and its subsidiaries companies (collectively, “**MCHB Group**”) is committed to conducting business transparently, honestly and with integrity. Therefore, it is important that MCHB Group complies with and conducts its business in accordance with Malaysian Anti-Corruption Commission Act 2009 and the Malaysia Anti-Corruption Commission (Amendment) Act 2018 (“**MACC Act**”). This policy should be read in conjunction with MCHB Group’s existing “**Code of Conduct and Ethics for Directors and Employees**” and “**NO Gifts Policy**” both available for viewing on MCHB’s website, [www.mchb.com.my](http://www.mchb.com.my).
- 1.2. MCHB Group will abide by the MACC Act countering bribery and corruption in all of the jurisdictions in which MCHB Group operates or conducts its business wherever in Malaysia or internationally. In order to ensure compliance in accordance with amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to MACC Act pursuant to Section 9 of the Capital Markets and Services Act 2007, MCHB Group also comply with the new act under Section 17A (5) of said Act.
- 1.3. Bribery (or even the perception or an allegation of it):-
  - 1.3.1 will damage MCHB Group’s reputation; and/or
  - 1.3.2 could cost MCHB Group significant amounts of money both in respect of potential fines and the time spent in dealing with such issues and may lead to serious penalties on individual members of Board of Directors and Management of MCHB Group including imprisonment and fines, or even the forfeiture of critical exploration or operating licenses and permits.
- 1.4 MCHB Group is committed to:-
  - 1.4.1 upholding MACC Act or any amendments thereto;
  - 1.4.2 not offering bribes or condoning the offering of bribes on MCHB Group’s behalf;
  - 1.4.3 not accepting bribes, or agreeing to them being accepted on MCHB Group’s behalf;
  - 1.4.4 maintaining accurate books and records;
  - 1.4.5 making sure that MCHB Group’s representatives are aware of and abide by MCHB Group’s values and policies;
  - 1.4.6 avoiding doing business with or affiliating MCHB Group with others who do not accept MCHB Group’s values and policies and who may harm MCHB Group’s reputation; and
  - 1.4.7 ongoing monitoring of and auditing compliance with these principles.

1.5 The purpose of this policy is to:-

- 1.5.1 set out MCHB Group's responsibilities, and the responsibilities of those working for or with MCHB Group in observing and upholding MCHB Group's position, on bribery and corruption;
- 1.5.2 ensure that MCHB Group has adequate procedures in place to prevent and detect bribery and corruption;
- 1.5.3 provide information and guidance to those working for or with MCHB Group on how to recognize and deal with potential bribery and corruption issues; and
- 1.5.4 protect MCHB Group against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behavior.

## **2. TO WHOM DOES THIS POLICY APPLY?**

2.1 This policy applies to the directors, officers, employees (whether permanent, fixed-term or temporary), technical and other consultants, agents or any other person associated with and acting on behalf of MCHB Group, wherever located (collectively referred to as "**Representatives**" in this policy).

## **3. WHO IS RESPONSIBLE FOR THE POLICY?**

- 3.1 The Board of Directors is ultimately responsible for this policy and through its delegation to the Risk Management Committee, is responsible for ensuring this policy complies with MCHB Group's legal and ethical obligations and for delegating to Group Company Secretary/ Corporate Governance (GCG) on the administration of this policy.
- 3.2 The Risk Management Committee with the assistance of GCG, has the responsibility for monitoring the use and effectiveness of this policy and dealing with any queries on its interpretation. The members of the management team at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

## **4. WHAT IS CORRUPTION & BRIBERY?**

4.1 Corruption is the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to a person's job position. It is defined as an abuse of position for personal gain or misuse of position to help others to improperly enriching themselves.

- 4.2 Bribery is the most common form of corruption and can be broadly defined as the offering, promising, giving, accepting or soliciting of an advantage as an inducement or reward for an action which is illegal or a breach of trust.
- 4.3 Although bribery may generally in cash form, it can also take many other forms including non-cash gifts, lavish entertainment or hospitality or other reward or benefit.
- 4.4 Bribery takes place if someone is given a gift, donation, loan, cash or non-cash incentive, benefit, or is taken out for particularly lavish hospitality and that in doing so, the giver of such items has done so with the intention of induction or rewarding someone to behave improperly or not to perform their function correctly or in good faith.
- 4.5 In most cases, it will be irrelevant whether the bribe was accepted or not; merely offering the bribe will usually be sufficient for an offence to be committed.
- 4.6 Bribery can be direct (e.g. giving a bribe to someone) or indirect (e.g. getting someone else to give a bribe to another person).

## **5 WHAT IS NOT PERMITTED?**

- 5.1 Bribery and corruption can take many forms and it is important to understand what is expected in this regard.
- 5.2 It is not permitted for the Representatives (or someone acting on their behalf) to:
  - 5.2.1 give, promise to give, or offer, a payment, loan, reward, gift or entertainment, to a Public Official, or any Third Party with the expectation or hope that a business advantage will be received, or to reward a business advantage already given (i.e. securing a permit, securing or renewing a contract with favourable terms, influencing a Public Official to take or omit an action in violation of his or her lawful duty etc.)
  - 5.2.2 give, promise to give, or offer, a payment, loan, reward, gift or entertainment to a Public Official, or any Third Party to “facilitate” or expedite a routine procedure:
  - 5.2.3 threaten or retaliate against any person who has refused to commit a bribery offence or who has raised concerns under this policy; or
  - 5.2.4 engage in any activity that might lead to a breach of this policy.

- 5.3 In this policy, “**Third Party**” means any individual or organization that the Representatives come into contact with during the course of their work for or with MCHB Group, and including but not limited to, existing or potential, customers, suppliers, consultants, agents, brokers, donation or sponsorship beneficiaries, advisers, as well as any Public Officials.
- 5.4 In this policy, “**Public Official**” means:
- Any person holding a legislative, administrative or judicial office of a country, government, state, province or municipality, whether appointed or elected;
  - Any person exercising a public function for a country, government, state, province or municipality, including for a government agency, board, commission, corporation or other body or authority;
  - Any official or agent of a public international organization; or
  - Any political party or official of a political or a candidate for public office.

## **6 FACILITATION PAYMENTS AND KICKBACKS**

- 6.1 Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official (such as the issuance of permits, licences, processing visas or work permits, provision of mail pick-up and delivery etc.). Kickbacks are typically payments made in return for a business favour or advantage and can include discounts or other types of cash incentives.
- 6.2 MCHB Group must not make facilitation payments or “kickbacks” of any kind. All Representatives must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made by or on behalf of MCHB Group.
- 6.3 If asked to make a payment on MCHB Group’s behalf, always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Always obtain a receipt which details the reason for the payment and evidences that the payment went directly to the appropriate payee who provided the goods or services. Any suspicions, concerns or queries regarding a payment should be raised with the GCG.

## **7 GIFTS, ENTERTAINMENT AND HOSPITALITY**

- 7.1 As MCHB Group has businesses both in Malaysia and overseas, the practice of giving business gifts and taking part in corporate entertainment or undertaking speaking engagements varies between countries, regions and industries. What may be normal and acceptable in one may not be in another.

- 7.2 The test to be applied is whether in all the circumstances, the gifts or entertainment is reasonable and justifiable rather than lavish and extraordinary; bearing in mind that what may normally be viewed as small or insignificant in some countries can be of significant value in another. The intention behind the gift should always be considered and nothing should be specifically expected or demanded in return. Need to make reference to the existing “No Gift Policy” of MCHB Group at all times for guidance.
- 7.3 The giving of gifts and corporate hospitality or entertainment is not prohibited, if the following requirements are met:
- 7.3.1 it is not done with the intention of influencing a Third Party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
  - 7.3.2 it complies with law;
  - 7.3.3 it does not include cash or a cash equivalent;
  - 7.3.4 taking into account the reason for the gift or entertainment, it is of an appropriate type and value in the applicable country/region and given at an appropriate time eg. festive period ;
  - 7.3.5 it is given openly, not secretly; and
  - 7.3.6 gifts or entertainment should not be offered to Public Officials, without the prior approval of the Group Executive Deputy Chairman (“GEDC”) or the Group Managing Director (“GMD”).

## **8 CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS**

- 8.1 Any charitable contributions or sponsorships made or offered on behalf of MCHB Group must:
- 8.1.1 not be related to, dependent on, or made in order to win, or influence, a business deal or decision.
  - 8.1.2 be given directly to the relevant charity or organization; and
  - 8.1.3 only be given with the prior consent of the GEDC/GMD
- 8.2 MCHB Group will conduct due diligence on the Third Party to ensure that the recipient of any charitable contribution or sponsorship is a legitimate and, in the case of a charity (if required under local laws) registered charity, and that the donations or sponsorship were expensed or accounted for in an appropriate manner. The recipient will be required to provide a receipt for the contribution, and confirmation of what the funds will be used for.

## **9 POLITICAL DONATIONS**

- 9.1 MCHB Group does not make any contribution to Public Officials, except in accordance with laws and with the written authorization of the GEDC/GMD.
- 9.2 Representatives must not make or offer any political contributions or donations on behalf of MCHB Group, except in accordance with laws and with the written authorization of the GEDC/GMD.
- 9.3 In undertaking any such unauthorized activity, all Representatives will be deemed to be acting in their personal capacity or that of their own corporate organization and not on behalf of MCHB Group.

## **10 REPRESENTATIVES' RESPONSIBILITIES**

- 10.1 All Representatives must ensure that they have read, understood, declare their acceptance and compliance with this policy.
- 10.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all Representatives. All Representatives are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 10.3 Representatives must notify the GCG as soon as possible if they believe or suspect that a breach of this policy has occurred, or may occur in the future.
- 10.4 Any employee of MCHB Group who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.
- 10.5 MCHB Group reserves its right to terminate contractual relationships with Representatives if they breach this policy.

## **11 RECORD-KEEPING**

- 11.1 MCHB Group must keep financial records and have appropriate internal controls in place which will evidence the business reason for any payments made to Third Parties.
- 11.2 Representatives must ensure that all expense claims relating to entertainment, gifts or expenses incurred are submitted in accordance with MCHB Group's expense policy and specifically record the reason for the expenditure.



- 11.3 All accounts, invoices, and other similar documents and records relating to dealings with Third Parties should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

## **12 HOW TO RAISE A CONCERN**

All Representatives are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If unsure whether a particular act constitutes bribery or corruption, or any queries, these should be raised with the GCG. Kindly refer to the Process Flow Chart annexed to this Policy for reference.

## **13 PROTECTION & REPORTING VIOLATIONS**

- 13.1 Representative who refuse to accept or offer a bribe, or those who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. MCHB Group encourages openness and will support anyone who raised genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 13.2 MCHB Group is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

## **14 TRAINING, COMMUNICATION, ENGAGEMENT AND DUE DILIGENCE**

- 14.1 Training on this policy forms part of the induction process for all new employees and Third Parties. All existing employees will received regular, relevant training on how to implement and adhere to this policy.
- 14.2 MCHB Group’s robust approach to bribery and corruption must be communicated to all Third Parties at the outset of MCHB Group’s business relationship with them and as appropriate thereafter. No Third Parties who will be dealing with Public Officials on behalf of MCHB Group should be authorized to do so without first agreeing, in writing, to abide by all anti-bribery and anti-corruption laws and to abide by the requirements of this policy.

## 15 MONITORING AND REVIEW

- 15.1 The GCG will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 15.2 All Representatives are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 15.3 This policy will be reviewed periodically once every 3 years by MCHB Group and may be amended at any time whenever appropriate. Representatives will be fully informed of any material revisions to this policy.

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**PROCESS FLOW FOR REPORTING & ACTION**

