



MHB ANTI-BRIBERY AND CORRUPTION MANUAL

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INTRODUCTION

The MHB Group has adopted a zero tolerance policy against all forms of bribery and corruption. The MHB Code of Conduct and Business Ethics (CoBE) sets out MHB's core principles in this regard. The MHB Anti-Bribery and Corruption Policy and Guidelines (hereinafter referred to as the "ABC Manual") elaborate upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. It is also intended to apply to every director (executive and non-executive) except as otherwise stated in this ABC Manual. Joint venture companies in which MHB is a non-controlling co-venture and associated companies are encouraged to adopt-similar principles and standards. Therefore, MHB also make it clear to all contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of MHB will comply with the relevant parts of the ABC Manual when performing such work or services.

The ABC Manual is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, they are intended to provide employees with a basic introduction to how MHB combats bribery and corruption in furtherance of the group's commitment to adherence of law and ethical behavior at all times. Some of the guidelines are designed to prevent situations in which bribery and corrupt practices may take root.

If you have any doubt about the scope of applicable laws or the application of the group's policies concerning the fight against bribery and corruption, you should contact your respective Legal Department immediately.

"ALWAYS ASK WHENEVER IN DOUBT"

Engaging in bribery and corrupt practices can have severe consequences for you and for the MHB Group. You may face dismissal, fines and imprisonment, and the company may face damage to reputation, financial loss and disbarment from business and other negative consequences.

An electronic version of ABC Manual is available at <http://eportal.mmhe.com.my> and www.mhb.com.my

PART 1: APPLICATION AND DEFINITIONS

1A. APPLICATION

This ABC Manual is intended to apply to every employee of every MHB group company worldwide. It is also intended to apply to every director (executive and non-executive) for those companies, except as otherwise stated in this Manual. Joint venture companies in which MHB is a non-controlling co-venture and associated companies are encouraged to adopt this ABC Manual or similar principles and standards.

Although the ABC Manual is specifically written for MHB employees and directors, MHB expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of MHB group companies will comply with the relevant parts of this ABC Manual when performing such work or services.

If a law conflicts with principles as set out in this ABC Manual, you should comply with the law. If you perceive that a provision in this Manual conflicts with the law in your jurisdiction, you should consult with your Head of Department, Human Resource Department or Legal Department, rather than disregard the Manual without consultation. However, if a local custom or policy conflicts with this Manual, you are to comply with this ABC Manual. If you have any questions about any of these conflicts, please consult your Head of Department, Human Resource Department or Legal Department.

1B. DEFINITIONS

References to "you" in this ABC Manual refer to any person to whom this ABC Manual applies. Where more specific references are used (such as "employee"), the more specific reference is intended.

For purposes of this ABC Manual, the term "family/household" includes your spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.

For purposes of this ABC Manual, the term "employee" means any person who is in the employment of MHB including but not limited to executives, non-executives, secretaries, secondees and individuals on direct hire.

The term "MHB" means MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BERHAD ("MHB") and its subsidiaries and controlled companies. The expression "MHB" is used for convenience where references are made to MHB companies in general. The companies in which MHB has direct or indirect shareholding are distinct legal entities.

PART 2: GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY

2A. "NO GIFT" POLICY

MHB has adopted a "No Gift" Policy whereby, subject only to certain narrow exceptions, MHB employees and directors (executive and non-executive), family members or agents acting for or on behalf of MHB employees, directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts.

MHB requires employees and directors to abide by this policy to avoid conflict of interest or party in on-going or potential business dealing between MHB and external parties as a gift can be seen as a bribe that may tarnish MHB's reputation or be in violation of anti-bribery and corruption laws.

As set out in the MHB Code of Conduct and Business Ethics (CoBE), a conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in MHB for his or her personal benefit, including the benefit of his or her family/household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by MHB from its employees and directors in the performance of their duties and obligations.

It is the responsibility of employees and directors to inform external parties involved in any business dealings with MHB that the company practices a "No Gift Policy" and to request the external party's understanding for and adherence with this policy.

2A (i) RECEIVING GIFTS

The Company is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging MHB's "No Gift Policy", some external parties may still insist in providing gifts to MHB employees, directors and/or their family members in certain situations which do not fall within the general exceptions.

Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of MHB is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever MHB's business relationship with the Third Party. However, in no circumstances may an employee, director or his/her family/household members accept gifts in the form of cash or cash equivalent.

In these limited circumstances, employees are expected to immediately record the gift in the Gift Register Gift Activity Reporting Form at:

<http://eportal.mmhe.com.my> or any other form as provided by your Human Resource Department for submission to your Head of Division or Department who will then decide whether to approve the acceptance of the gift or require it to be returned. Directors should inform the Company Secretary, as soon as reasonably practicable, to seek his/her advice when faced with a similar situation.

Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then clearly the Head of Division or Department cannot approve the acceptance of said gift (in the case of directors, the Company Secretary would advise the same). In this situation, the gift must be politely returned with a note of explanation about the Company's "No Gift" policy.

In the event the Head of Division or Department approves the acceptance of the gift, he/she must also determine the treatment of the gift whether to:

- a) donate the gift to charity; or
- b) hold it for departmental display; or
- c) share with other employees in the department; or
- d) permit it to be retained by the employee.

In the determine the above, Head of Division or Department are expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position/ seniority of the person(s) providing the gift, the business context, reciprocity, applicable laws and cultural norms.

2A (ii) PROVIDING GIFTS

Generally employees are not allowed to provide gifts to third parties with the exception of the Chairman & MD/ CEO, Senior General Manager and any other officers identified in the gift and entertainment policy of the respective jurisdictions.

2A (iii) EXCEPTIONS TO THE "NO GIFT" POLICY

Although generally MHB practices 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:-

- a) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property);
- b) Gifts from company to external institutions or individuals in relation to the company's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event
- c) Gifts from MHB to employees and directors and/or their family members in relation to an internal or externally recognized Company function, event and celebration (e.g. in recognition of an employee's/director's service to the Company);
- d) Token gifts of nominal value normally bearing the MHB or company's logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company's brand building or promotional activities; and
- e) Gifts to external parties who have no business dealings with MHB (e.g. monetary gifts or gifts in-kind to charitable organizations).

Even in the above exceptional circumstances, employees and directors are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles set out in the CoBE as per below:

- Conscientiously maintain the highest degree of integrity;
- Always exercise proper care and judgment;
- Avoid conflicts of interest;
- Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of MHB, and;
- Comply with applicable laws, regulations and MHB policies and procedures.

- **MHB 'NO GIFT' POLICY**

As a general principle, MHB employees and directors are prohibited from, directly or indirectly, giving or receiving gifts to avoid conflict of interest or the appearance of conflict of interest

THE GENERAL RULE

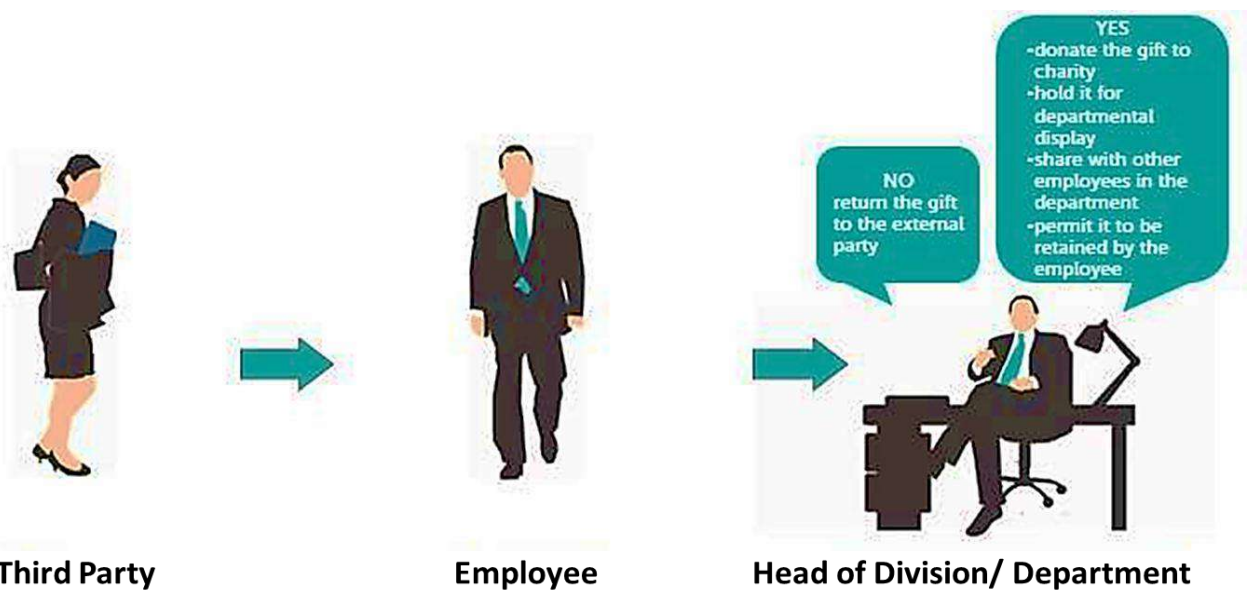


▪ **GIFT ACTIVITY REPORTING AND APPROVAL PROCESS**

The below depicts the process flow for reporting a gift accepted on behalf of MHB (only allowed in very limited circumstances) whereby refusing the gift is likely to seriously offend and may sever MHB's business relationship with the Third Party.

EXCEPTIONAL CASES

(IN VERY LIMITED CIRCUMSTANCES AND SUBJECT TO APPROVAL)



Provide gifts or offers to provide gifts

Before accepting the gift, you must ensure to comply with the CoBE and to be guided by the DO's and DON'T's as set out in the MHB's ABC manual.

To decide on the treatment of the gift

In certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging MHB "No Gift" policy, some external parties may still insist in providing gifts to MHB employees.

Where it is likely to cause offence to the external party if you were to refuse or return the gift, you are expected to do the following:

1. Fill in the Gift Activity Reporting Form (which can be found at <http://eportal.mmhe.com.my>) or any other form as provided by your Human Resources Department
2. Enter it into the Gift Register for your Head of Department/ Division decision on the treatment of the gift

In coming to the decision on the treatment of the gift, the Head of Department/ Division expected to exercise proper care and judgment in each case and take into account the following:

- the character of the gift
- its purpose
- the position of the persons providing and receiving the gift
- the business context
- reciprocity
- applicable laws
- cultural norms

Refer to the DO's and DON'Ts Below:-

DO's

- ✓ MHB employees and directors must inform third parties involved in business dealings with MHB that the company practices a "No Gift Policy" and to request the aforementioned parties to respect and adhere with the Company policy.
- ✓ MHB employees and directors are prohibited from accepting or providing gifts to third parties unless it falls under the general exceptions provided under the policy as stated in paragraph 2A (ii) and 2A (iii)
- ✓ MHB Heads of Department/Division/ must exercise proper care and judgment when handling gift activities and apply the general CoBE principles in determining the appropriateness of the gift, in particular when dealing with public officials and public agencies/bodies as strict rules apply.
- ✓ Employees are required to submit the Gift Activity Reporting Form to his/her Head of Department/Division who will then decide whether to approve the acceptance of the gift or require the gift to be returned.

DON'Ts

There are certain types of gifts which are never permissible and MHB employees and directors should immediately refuse if it involves the following:-

- ✗ Any gift of cash or cash equivalent. Cash equivalent could be in the form of vouchers, discounts, coupons, shares and commission etc.
- ✗ Any gifts involving parties engaged in a tender or competitive bidding exercise.
- ✗ Any gifts that come with a direct/indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required ("quid pro quo").
- ✗ Any gift that would be illegal or in breach of local or foreign bribery and corruption laws.
- ✗ Any gift which is lavish or excessive e.g. valued above the maximum threshold permitted by the Company or may adversely affect the reputation of MHB.

You must immediately return or decline any gift that falls within the above mentioned categories.

2B (i) PROVIDING ENTERTAINMENT

MHB recognises that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external clients. As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

In some countries, the act of hospitality through entertainment is a central part of business etiquette. However, this may not necessarily be the case in every country or in all circumstances as it may create a negative perception if observed or known by others despite selfless motives behind the entertainment provided.

Employees and directors should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore you should always exercise proper care and judgment when-providing entertainment to third parties especially when it involves public officials to ensure compliance with local anti-bribery and corruption laws.

Employees and directors are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of the CoBE.

You are required to comply with the policies and procedures of your Human Resource Department, and maintain expenses within the limits of your entitlement, when carrying out entertainment activities.

As set forth in Part II B Section 12 of the CoBE, any entertainment activities that would involve public officials shall require the prior approval of the Head of Division or Department in consultation with your Government Communication and Compliance Unit of Legal Department.

Specific rules governing employees' conduct when dealing with Public Officials is set out in greater detail in Part 3 of this MHB ABC Manual. Directors (executive and non-executive) are also expected to abide by the same rules.

2B (ii) RECEIVING ENTERTAINMENT

MHB recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.

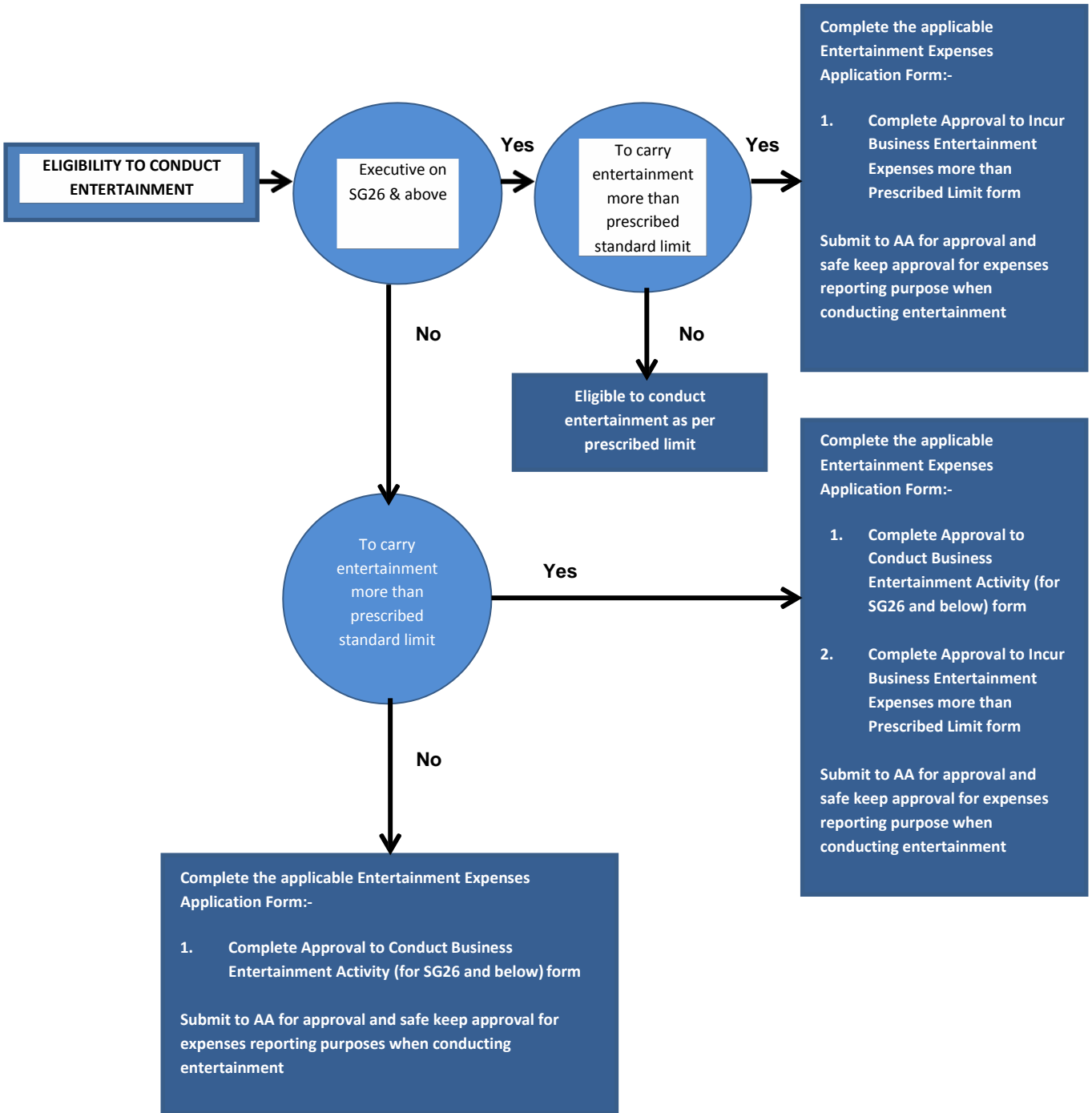
However, it is important for employees and directors to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard the Company's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.

You are required to comply with the policies and procedures of your Human Resource department in relation to receiving entertainment from third parties.

As set forth in Part II B paragraph 10.2 of the CoBE, in no event, however, may you or any of your family/household members accept entertainment in exchange for an exercise of non-exercise of your MHB authority or otherwise to the detriment of MHB.

ELIGIBILITY TO CONDUCT ENTERTAINMENT ACTIVITY
 (Applicable to Group Companies based in Malaysia with standard MHB terms & conditions)

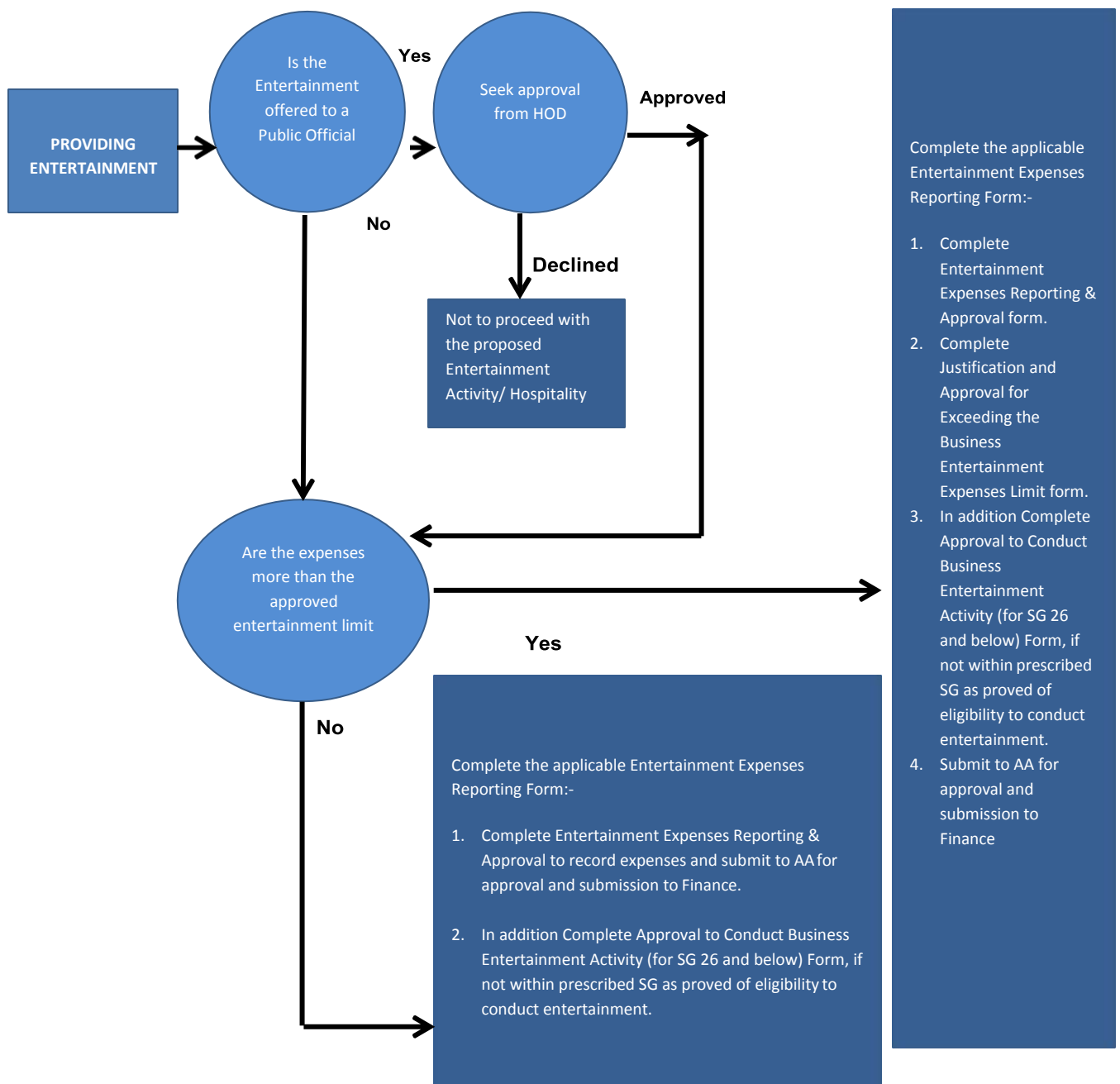
The below chart illustrates the process flow to determine executive employees' eligibility to carry out entertainment activities



Note: All business entertainment expenses must be reported within seven (7) working days of returning to office for business entertainment activity carried out, supported with official receipts, details of business activity conducted, and the participants' details.

ENTERTAINMENT ACTIVITY REPORTING AND APPROVAL PROCESS
 (Applicable to Group Companies based in Malaysia with standard MHB terms & conditions)

The below chart illustrates the process flow for reporting on Entertainment Activity for employees who met the eligibility criteria to incur entertainment expenses.



Refer to the DO's and DON'TS below:

DO's

- ✓ MHB employees and directors must ensure that the entertainment offered is legitimate, modest and not lavish or excessive or extraordinary.
- ✓ MHB employees and directors are prohibited from offering or providing entertainment with a view to improperly creating undue influence or any party in exchange for some future benefit or result. Any acts of this nature, whether directly or indirectly, may be construed as an act of bribery that is contrary to the general principles of the CoBE.
- ✓ You must be aware and educate yourself on local anti-bribery and corruption laws when dealing with public officials as in some countries providing entertainment to public officials has the potential to be regarded as bribery
- ✓ Eligible employees are required to comply with the policies and procedures of their Human Resource Department, and maintain expenses within the limits of their entitlement, when carrying out entertainment activities.
- ✓ Any entertainment activities that would involve public officials shall require the prior approval of the respective Heads of Department/Division in consultation with your Government Communication and Compliance Unit of Legal Department.

DON'Ts

There are certain types of entertainment activities which are never permissible and you should immediately refuse if it involves the following:-

- ✗ Any entertainment that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the entertainment provided some expected or desirable outcome is required ("quid pro quo").
- ✗ Any entertainment activities that would be illegal or in breach of local or foreign bribery laws.
- ✗ Any entertainment activities that would be perceived as extravagant, lavish or excessive or may adversely affect the reputation of MHB.
- ✗ Any entertainment activity that is sexually oriented or may otherwise tarnish the reputation of MHB.

You must immediately decline any offers of entertainment that falls within the above categories.

2C (i) CORPORATE HOSPITALITY

Corporate hospitality is generally defined as "corporate events or activities organized by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation". Third parties may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.

Corporate events and activities include but are not limited to sporting events, gala dinners, concert or activity based every such as golf tournaments.

Corporate hospitality is recognized as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate vs. illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.

Corporate hospitality would be illegitimate in the following situations:-

- If it provides an advantage to another person if offered; or
- If it is given with the intention of inducing the person to perform a relevant function improperly; or
- If there is knowledge that acceptance of the advantage would in itself be improper performance.

Transparency International has advocated corporate hospitality arrangements/activities should conform to the following basic principles:-

- Transparency, in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept;
- Proportionality i.e. the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient's official capacity and not provided in his/her personal capacity;
- Reasonableness in ensuring that the corporate hospitality is not lavish; and
- Bona fide, where the intention to offer and/or provide the corporate hospitality is done with good and legal intentions.

2C (ii) PROVIDING CORPORATE HOSPITALITY

MHB recognizes that providing corporate hospitality to its stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.

It is customary for MHB to issue complimentary invitations in the form of passes, tickets or invitations to third parties for events organized or sponsored by MHB, its Group Companies as well as events organized or sponsored by external organizations.

The following are some of the examples of MHB providing corporate hospitality:

- a) Events sponsored by MHB for eg. “Save our Earth programme” and “Deepwater Floating Structure Competition”;
- b) Events organized by MHB for eg. Treasure Hunt, Salam Mesra from MD & CEO, Tapis R Completion Ceremony and 1 Malaysia Celebration;
- c) Events organized by external organisations for the benefit of that organization or charitable events for eg. Offshore Technology Conference (OTC), 2013 Shell CEO’s HSSE & SP Awards and The Oil & Gas Year Malaysia

While providing corporate hospitality is a reflection of MHB's courtesy and goodwill, the respective Heads of Division or Department must exercise proper care to protect the Company's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures.

There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to a MHB corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve public officials.

There are various local and international anti-bribery and corruption laws that impose strict restrictions on the value and level of entertainment and corporate hospitality to be accorded to third parties, particularly when it is offered to government or public officials.

MHB is committed to comply with applicable laws governing the provision of corporate hospitality to third parties, especially when it involves public officials, and therefore expect employees to undertake the following:-

- a) to publicise and make clear the Company's policy on providing and receiving corporate hospitality;
- b) to obtain all necessary approvals for the issuance of complimentary tickets or passes to corporate hospitality events in accordance with the MHB Limits of Authority;
- c) to expressly notify the recipients in writing that all complimentary tickets or passes are NON-TRANSFERABLE (e.g. the terms and conditions for use to be printed on the tickets, passes or invitations). In the event that the recipients are unable to attend, he/she is expected to return the tickets or passes to MHB.

The unauthorised transfer of tickets or passes to persons other than the named recipient may signify to others that the invitation was extended to the recipient in his/her personal capacity.

All expenses incurred to provide the corporate hospitality must be properly documented, receipted and recorded in the Company's records.

2C (iii) RECEIVING CORPORATE HOSPITALITY

As a general principle, MHB strictly prohibits employees and directors from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, inappropriate, illegal or given in

response to, in anticipation of, or to influence a favorable business decision, particularly from parties engaged in a tender or competitive bidding exercise (eg. contractors, vendors, suppliers etc).

Notwithstanding the above, MHB recognises that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for employees and directors to exercise proper care and judgment before accepting the hospitality. This is not only to safeguard the Company's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.

If you have any doubts on the appropriateness of a corporate hospitality offered by an external party for e.g. a contractor or supplier, you should either decline the offer or consult your Head of Division or Department. In the case of directors (executive and non-executive), you should seek the advice of your respective Company Secretary.

Refer to the DO's and DON'TS below:

DO's

- ✓ You must ensure that the corporate hospitality accepted from an external party is legitimate, modest and not lavish or excessive or extraordinary in nature.
- ✓ You must exercise proper care and judgment before offering or providing corporate hospitality to third parties to ensure compliance with applicable laws and regulations, in particular when it involves public officials.
- ✓ Any corporate hospitality activities that would involve public officials shall require the prior approval of the respective Head of Division or Department.
- ✓ If you have any doubts whether the corporate hospitality offered by an external party for eg. a contractor or supplier is appropriate or reasonable in nature, you should either decline the offer or consult your Head of Division or Department.

DON'Ts

There are certain types of corporate hospitality activities which are never permissible and you should immediately refuse if it involves the following:-

- ✗ Corporate hospitality offered by parties currently engaged in a MHB tender or competitive bidding exercise.
- ✗ Corporate hospitality offered that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the corporate hospitality provided some expected or desirable outcome is required ("quid pro quo").
- ✗ Any corporate hospitality activities that would be illegal or in breach of local or foreign bribery laws.



- ✘ Corporate hospitality which is lavish or excessive or may adversely affect the reputation of MHB.
- ✘ Any corporate hospitality activities that are sexually oriented or may otherwise tarnish the reputation of MHB.

You must immediately decline any offers of corporate hospitality that falls within the above categories.

PART 3: DEALING WITH PUBLIC OFFICIALS

3A (i) DEALING WITH PUBLIC OFFICIALS

A 'public or government official' is defined in Part II B paragraph 12.8 of the CoBE which includes, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises other than MHB.

Caution must be exercised when dealing with public officials as the laws of bribery and corruption in some countries are more stringent and provides for stricter punishments. Providing gift, entertainment or corporate hospitality to public officials or their family/household members is generally considered a 'red flag' situation in most jurisdictions.

As stated in Part II B paragraph 12.3 of the CoBE, you are prohibited from paying for non-business travel and hospitality for any government official or his/her family/household members without permission from your Head of Department or the head of your operating unit in consultation with your Human Resource Department or the Government Communication and Compliance Unit of Legal Department. Other MHB policies and procedures on gift, entertainment and corporate hospitality must also be abided by, copies of which can be obtained from your Human Resource Department.

If approval is obtained for you to provide gift, entertainment or corporate hospitality to public officials, you must ensure that the gift, entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity. You must also be aware of local laws governing the activity and to ensure compliance. You should seek guidance from your Human Resource Department or Legal Department prior to providing any gift, entertainment or corporate hospitality to public officials.

3A (ii) MHB EMPLOYEES

Under anti-bribery and corruption laws in some jurisdictions, MHB employees are considered employees from private sector.

To prevent violations of law and underscore our commitment to ethical behavior worldwide, you should always abide by MHB's policies and provisions in relation to gifts (including the "No Gift" Policy), entertainment and corporate hospitality, copies of which are available from your Human Resource Department. In this regard, you are strictly prohibited from accepting gifts, entertainment or corporate hospitality that is excessive, lavish, inappropriate, illegal, or given to influence a business decision or with an understanding that, in return, some desirable outcome may be expected.

If you have any queries on this matter, you should always consult and seek further advice from your respective Head of Division or Department.

Refer to the DO's and DON'Ts below:

DO's

- ✓ Do ensure that to provide or to offer to provide entertainment to public officials is lawful under local laws, as it might be deemed as bribery in certain countries or companies. If it is unlawful or if certain requirements must be met, you must ensure to fully comply with the law.
- ✓ Do ensure that proper care and judgment is exercised to confirm that there is no conflict of interest. It is unethical to offer or provide entertainment in exchange for some future benefit or result.
- ✓ Do ensure that due diligence is carried out to confirm that the Public Official is the appropriate person based on his/her official position. Any entertainment extended must commensurate with the public official's official position and not based on his/her popularity, political standing or your familiarity with the public official.
- ✓ Do ensure that the entertainment provided to the public official is reasonable and modest in value, and commensurate with the official designation of the public official. This is to avoid any perception of bribery
- ✓ Do ensure that any `red flag' is resolved before giving out gift or entertainment.
- ✓ Do ensure that all documentation (including invoices and receipts) are properly recorded and kept.

DON'Ts

- ✗ Do not try to circumvent any laws or policies with regards to gifts and entertainment, even if it means that MHB might lose out on business opportunities as a result.
- ✗ Do not be too complacent with certain public officials or local customs that you might think you are familiar with. Do not fail to check that there are no changes to local laws or company policies.
- ✗ Do not approve any requests by the public official to transfer the gift or entertainment to his family members or friends that are not authorized to accept the gift or entertainment. Doing so might be perceived as bribery even with the least strict of laws or policies. Kindly advise the public official that `transfer' of gifts or entertainment is against MHB's policy.
- ✗ Do not offer to provide gifts, entertainment or hospitality that is illegal or unduly dangerous, indecent, sexually oriented or disrespectful.
- ✗ Do not exceed the monetary threshold as specified in the Entertainment Expenses Policy.
- ✗ Do not act on your own accord when providing entertainment to public officials. Always consult your Head of Division or Department or Legal Department.
- ✗ Do not conceal, alter, destroy or otherwise modify any documentation that relates to entertainment or corporate hospitality accorded to public officials.

PART 4: CORPORATE SOCIAL RESPONSIBILITY (CSR), SPONSORSHIPS AND DONATIONS

As a responsible corporate citizen, MHB is committed to contributing to the well-being of the people and nation in countries where it operates. It is however important that all Corporate Social Responsibility (CSR), sponsorships and donations are made in accordance with MHB policies and receive prior authorisation by MHB Management or the Board.

4A. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Given the nature of our business, MHB is often asked by governments to contribute to Social Investment activities in the countries where we have operations.

As part of our commitment to corporate social responsibility and sustainable development, as a general matter, MHB provides such assistance in appropriate circumstances and in an appropriate manner. However, such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.

The proposed recipient must be a legitimate organization and appropriate due diligence must be conducted in particular to ascertain whether any Public Officials are affiliated with the organization.

Any red flags must be resolved before committing any funds to the programme. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients. If you are in any doubt as to whether a charitable contribution or social benefit is appropriate, consult your Legal Department or Corporate Communication Department for assistance.

4B. SPONSORSHIPS AND DONATIONS

As set out in the Code, employees must ensure that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the CoBE, including in particular, the prohibition on bribery.

MHB needs to be certain that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.

In accordance with MHB's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:

- ensure such contributions are allowed by applicable laws
- obtain all the necessary internal and external authorisations

- be made to well established entities having an adequate organizational structure to guarantee proper administration of the funds;
- be accurately stated in the company's accounting books and records;
- not to be used as a means to cover up an undue payment or bribery

Examples of red flags to look out for are as follows:

- The proposed recipient /organisation has affiliations with a Public Official or their relatives are involved
- The contribution is made on behalf of a Public Official
- There is a risk of a perceived improper advantage for MHB
- The proposed recipient is based in a high risk country, the request comes from a high risk country or the activity takes place in a high risk country.

MHB requires employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from their Corporate Communication Department or escalate the matter to Corporate Communications Department or Legal Department to determine the authenticity of such requests.

4B (i) DUE DILIGENCE CHECKLIST

Before making a commitment to a CSR activity, sponsorship or donation requested by external stakeholders, you must first conduct proper due diligence to ensure that the requests are legitimate and that any red flags raised are resolved prior to committing the funds.

The request is evaluated against MHB's Guidelines on CSR, Sponsorships and Donations and meets the following criteria;-

- The request does not fall under the list of activities which MHB does not support or contribute to (refer to Corporate Communication Department);
- There is no risk of a perceived improper advantage for MHB
- The proposed recipient is a legitimate organisation and proper due diligence are made/background checks
- The proposed recipient /organisation does not have affiliations with a Public Official

If the request meets the above requirements and it is reasonably ascertained to be legitimate in nature you can proceed to prepare a recommendation/memorandum seeking Management's approval as per the MHB Limits of Authority (LOA) Manual.

If the request comes from a high risk country (countries perceived to have high levels of corruption), or the proposed beneficiary is based in a high risk country, or the activity takes place in a high risk country or the proposed recipient is Government owned or if a Government Official or their relative is involved and it is reasonably expected that a MHB subsidiary may have business that could be influenced by that Government Official or the Government Official's agency, ministry or department, a memorandum must be sent to Corporate Communication Department for review as to whether or not the proposed investment/ sponsorship or donation should proceed and if deemed necessary, the Government Communication and Compliance Unit of Legal Department should be consulted to ensure compliance with anti-bribery and corruption laws.

Refer to the DO's and DON'TS below:

DO's

- ✓ Ensure that the activity is in line with MHB's policy and guidelines on CSR, sponsorships and donations and does not fall under the list of CSR activities which MHB does not support or contribute to. In case of any doubts, please refer to Corporate Communication Department.
- ✓ Ensure that the request has been carefully examined for legitimacy and that an appropriate level of due diligence has been conducted on the requesting party.
- ✓ Ensure that the proposed recipient is a legitimate organization and the funding of the CSR activity is in compliance with the applicable laws and not made to improperly influence a business outcome or perceived to provide an improper advantage to MHB.
- ✓ If the request comes from a high risk country or the proposed activity takes place in a high risk country or the proposed recipient is Government owned or involves a Government Official or their relatives, the request must undergo a more stringent due diligence process to determine whether there are any red flags raised.
- ✓ Any red flags must be resolved before committing any funds to the programme.

DON'Ts

- ✗ Do not commit any funds without first undergoing the proper processes and procedures to evaluate the legitimacy of the request.
- ✗ Do not try to circumvent any guidelines, rules or procedures put in place by making charitable contributions as a subterfuge for illegal payments.
- ✗ Do not conceal, alter, destroy or otherwise modify any relevant information, which in the normal course of business, may raise potential red flags that would require additional investigation particularly if it involves public officials. If you are unsure or have any concerns, please consult your Head of Division or Department, Human Resource Department or Legal Department. If the matter is still unresolved, you must ensure to escalate the matter further to Corporate Communication Department.

4C. EDUCATION SPONSORSHIPS

MHB has a sponsorship programme with the objective to provide educational opportunities to deserving students to enable them to realize their potential and to contribute to the growth of MHB and the nation. The awarding of scholarships should be based on strict guidelines and due diligence to ensure that only the most qualified and deserving students receive the scholarship award. This is crucial to ensure that no element of corruption is involved in the giving out of scholarships.

The selection of sponsorship recipients should be based on approved criteria such as academic qualifications and assessment results. The process of selection should be transparent and the reasons for selection should be properly recorded.

If the sponsorships are to be awarded to foreign public officials or persons associated with foreign public officials caution must be exercised to ensure that the awarding of sponsorship would not violate any local laws and must be in compliance with the approved MHB sponsorship policy and procedures.

Refer to the DO's and DON'TS below:

DO'S

- ✓ Do ensure that proper care and judgment is exercised in awarding scholarships or loans. This is to avoid any allegations of bribery and corruption.
- ✓ Do ensure that due diligence is carried out to confirm that the candidate is the appropriate person based on eligibility criteria and/or other prerequisites, rules and guidelines.
- ✓ Do ensure that, if the scholarship or loan candidate has a family/household relationship to a MHB staff or director, it is properly recorded and is being made transparent.
- ✓ Do ensure that the amount of scholarship/loan is reasonable in value
- ✓ Do ensure that any 'red flag' is resolved before giving out scholarships or loans. For example, if the candidate is a relative of a government official, you must ensure that it is not against the laws of the relevant country and is consistent with MHB policies
- ✓ Do ensure that all documentations (including invoices and receipts) are properly recorded and kept.

DON'TS

- ✗ Do not award scholarships or loans without undergoing the proper process and procedures set by MHB to ensure that there is no bribery or corruption or perception thereof.
- ✗ Do not try to circumvent guidelines, rules or procedures when selecting candidates for scholarship as it might put you and MHB in trouble in the event of any bribery allegation.
- ✗ Do not try to conceal any information where you think that there might be conflict of interest. If you are unsure please consult your Head of Division or Department, the Human Resources or Legal Department

- ✘ Do not arbitrarily award scholarships or loans. The amount of scholarships and loans must be based on the guidelines prepared by MHB.
- ✘ Do not ignore any laws, guideline policies when awarding scholars or loans, particularly if a public official is in some way involved, as some countries might impose certain requirements. Always consult Head of Division or Department, the Human Resources or Legal Department
- ✘ Do not conceal, alter, destroy or otherwise modify any relevant documentation.

PART 5: POLITICAL CONTRIBUTIONS

As provided in Part II G Section 29 of the CoBE, as a matter of general policy, MHB does not make or offer monetary or in kind political contributions to political parties, political party officials or candidates for political office.

MHB may, in very limited circumstances, make political contributions in countries where such contributions are permitted under the law. The authority to approve such political contributions is with the Director/Group CEO or the respective Board of Directors.

If any contribution is made, it must be permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return and must be accurately reflected in MHB's books and records.

Good faith payments to a government entity such as payments to the host country's federal treasury required by contract or law, are not prohibited, so long as they are made with due care to the government entity and not to any individual official.

The Company encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Company for a personal political contribution.

As set out in the CoBE, employees are prohibited from acting on the below without first obtaining approval from their respective Head of Division or Department:-

- using their position with MHB to try to influence any other person (whether or not employed by MHB) to make political contributions or to support politicians or their parties in any country
- make any contribution or incur expenditure using MHB resources to benefit any political campaign, party or politician in any country
- the use of MHB facilities equipment and resources for any political campaign or party functions

Furthermore, charitable donations may not be used as a subterfuge for prohibited political payments.

Notwithstanding the foregoing, it is MHB's policy to engage and communicate its views and position on issues of public interest that have an important impact on the Company.

Employees must comply with local laws concerning lobbying in the jurisdiction; which MHB engages in lobbying must conduct themselves in a manner which is in accordance with local laws consistent with the values and principle of the CoBE.

Refer to the DO's and DON'TS below:

DO'S

- ✓ Be aware and educate yourself with all applicable laws and regulations in your jurisdiction that may prohibit or restrict companies from getting involved in political activities, make political contributions or engage in lobbying activities.
- ✓ In countries where political contributions are allowed under the law, any such contribution shall require the prior approval of the respective Heads of Division or Department.
- ✓ Ensure that your political views are your own when engaging in personal political activity and it does not reflect the views of MHB.
- ✓ If you plan to seek or accept a public office, you will need to comply with the policies and procedures of the Human Resource Department in your jurisdiction.

DON'Ts

- ✗ You are prohibited from using you position with MHB to try to influence any other person (whether or not employed by MHB) to make political contributions or to support politicians or their parties, without the prior approval of you Head of Division or Department. .
- ✗ You are prohibited from making any contribution or incurring an expenditure using MHB resources to benefit any political campaign, party or politician in any country without the prior approval of your Head of Division or Department.
- ✗ MHB facilities, equipment and resources may not be used for the furtherance of any political campaign or party functions without the prior approval of the respective Head of Division or Department.
- ✗ Charitable donations may not be used as a subterfuge for prohibited politic payments.

PART 6: FACILITATION PAYMENT

6A: MAKING FACILITATION PAYMENT

"Facilitation payment" is defined in Paragraph 7.2 in Part II B as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.

MHB prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person who is subject to the CoBE. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption. This prohibition is clearly laid out in Paragraph 7 of Part II B of the CoBE.

All persons subject to the CoBE must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If you receive a request or if you are offered facilitation payments, you must report it to your Head of Division or Department.

6B: EXCEPTION TO MAKING FACILITATION PAYMENT

However, there are certain situations or circumstances where you are faced with having to make facilitation payments in order to protect your life, limb or liberty. In dangerous situations like this, you are allowed to make payments but you must immediately report to your Head of Division or Department and your Legal Department. Making facilitation payment in such a situation is the only exception which can be used as a defence when faced with allegations of bribery and corruption.

PART 7: MONEY LAUNDERING

Paragraph 13.2 of Part II B of the CoBE defines money laundering as occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.

MHB strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.

Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislation are severe and can include extradition and incarceration in foreign jurisdictions.

To avoid violating anti-money laundering laws, employees are expected to always conduct counterparty due diligence to understand the business and background of MHB's prospective business counterparties and to determine the origin and destination of money, property and services.

Counterparty means any party that MHB is currently in relationship with or intends to do business with in the future, either on a regular or once-off basis. Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, JV partners and any other business partners.

A number of initiatives can be taken to strengthen anti-money laundering governance. They include the following:-

- Adequate training and compliance programs should be conducted to ensure understanding and strict compliance to any internal anti-money laundering policies.
- Employees frequently involved in decision making process concerning counterparties particularly in matters on financial transactions should be properly acquainted with the applicable laws and regulations related to money laundering.
- Employees should be attentive to and report suspicious behaviour by customers, consultants and business partners using proper reporting channels, in-house experts on anti-money laundering should always be consulted.
- Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees
- Periodic audits should be conducted and a process should be developed to follow all available accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.

PART 8: DEALING WITH THIRD PARTIES

8A. DEALING WITH THIRD PARTIES

MHB's dealings with third parties, which include contractors, suppliers, agents, consultants, joint venture partners, introducers/government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of the CoBE. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

MHB expects that all third parties acting for or on its behalf to share the Company's values and ethical standards as their actions can implicate MHB legally and tarnish the Company's reputation. Therefore, where we engage third parties, such as contractors, agents, intermediaries or joint venture partners, we are obligated to conduct appropriate counterparty due diligence to understand the business and background of MHB's prospective business counterparties before entering into any arrangements with them to ensure that we are dealing with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.

To help ensure that we only do business with third parties that share MHB standards of integrity, we must do the following:

- Conduct due diligence to assess the integrity of MHB's prospective business counter parties. Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
- All third parties are made aware of the MHB CoBE and MHB ABC Manual and our expectations of them
- Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance.

If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or "red flags" are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress.

Examples of common "red flags" involving third parties include:

- The transaction involves a country known for a high incidence of corrupt payments.
- Family, business or other "special" ties with government or public officials.
- A reference check reveals a flawed background or a reputation for getting "things done" regardless of the circumstances or suggests that for a certain amount of money, he can fix the problem.
- Objection to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements.
- Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees.

- The third party requires that his/her identity not be disclosed as part of the business transaction
- Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.

MHB requires its employees to use good judgment and common sense in assessing the integrity and ethical business practices of third parties and have provided the above as a guideline.

Employees should seek advice from the Government Communication and Compliance Unit of Legal Department whenever particular questions arise relating to third parties that the Company has appointed or is considering appointing.

8B (i) DEALING WITH CONTRACTORS AND SUPPLIERS

MHB is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities.

MHB Business or Supporting Unit (BU or SU) should avoid dealing with any contractors or suppliers known or reasonably suspected of corrupt practices or known or reasonably suspected to pay bribes.

MHB BU or SU must ensure that all procurement activities are in line with the procurement policies and procedures that are applicable in your jurisdiction, which include:-

- Due diligence of contractors and suppliers are undertaken before they are registered/licensed with MHB.
- Contractors and Suppliers are made aware of and understand the MHB Code of Conduct and Business Ethics and that they will comply accordingly.
- All commercial contracts and invitations to bid (ITBs) incorporate the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices.
- In Malaysia, the General Terms and Conditions of Licence for contractors incorporate the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices.
- All commercial contracts with major contractors and suppliers to incorporate a provision where MHB retains the right to audit third party compliance with the CoBE and MHB ABC provisions.

MHB BU or SU must conduct due diligence on prospective contractors and suppliers to confirm whether or not these external parties have in place anti-bribery programmes and that they will not engage in any improper practices.

Screening should be conducted on the company, its directors and top management and this can be done through the due diligence process and procedures as established in your jurisdiction. The scope and extent of the due diligence required will vary depending upon the circumstances of each proposed transaction.

MHB BU or SU should also monitor significant contractors and suppliers as part of their regular review of the performance of the third party. MHB has the right to terminate their services in the event that these third party pay bribes or act in a manner which is inconsistent with the CoBE and MHB ABC Manual.

If any red flags are raised, these issues must be resolved. If it is not possible then the company must be barred from being on the list of registered or licensed contractors /suppliers and/or disqualified from participating in any MHB tender exercise.

For further guidance on the implementation of the MHB ABC Manual and the due diligence checklist for contractors and suppliers, employees should consult their respective Supply Chain Management or Legal Department.

8B (ii) DUE DILIGENCE CHECKLIST FOR CONTRACTORS AND SUPPLIERS

MHB and its Group Companies, in particular, the procurement function must follow the following procedures when dealing with Contractors and Suppliers:-

- Perform a risk assessment using a risk-based approach;
- Undertake due diligence on the third party depending on the level established by the risk analysis;
- Preparing and maintaining appropriate written documentation of the due diligence and risk assessment performed;

8C. MERGERS, ACQUISITIONS & INVESTMENTS

MHB must undertake due diligence in evaluating Mergers and Acquisition transactions and investments to ensure compliance with anti-bribery and corruption laws.

Transparency International has provided a guide (<http://www.transparency.or.uk/our-work/publications/227-anti-bribery-due-diligence-for-transactions>) for companies on undertaking anti-bribery and corruption due diligence in the course of mergers, acquisitions and investments which is as follows:-

8C (i) DUE DILIGENCE - PRE ACQUISITION

1. Anti-bribery due diligence is considered on a proportionate basis for all investments but on a risk-based approach, with the level of due diligence being proportionate to the investment and the perceived likelihood of risk of bribery.
2. The level of anti-bribery due diligence for the transaction is commensurate with the bribery risks.

3. Anti-bribery due diligence starts sufficiently early in the due diligence process to allow for adequate due diligence to be carried out and for the findings to influence the outcome of the negotiations or stimulate further review if necessary.
4. The partners or board provide commitment and oversight to the due diligence reviews.
5. Information gained during the anti-bribery due diligence is passed on efficiently and effectively to the company's management once the investment has been made

8C (ii) DUE DILIGENCE – POST ACQUISITION

- To conduct due diligence on a proportionate basis immediately after purchase to determine if there is any current bribery and if so, takes immediate remedial action.
- To ensure that the target has or adopts an adequate anti-bribery and corruption programme equivalent to its own.
- Bribery detected through due diligence is reported to the authorities.

8C (iii) WHAT TO LOOK FOR IN ANTI-BRIBERY DUE DILIGENCE

- Has bribery taken place historically?
- Is it possible or likely that bribery is currently taking place?
- If so, how widespread is it likely to be?
- What is the commitment of the board and top management of the target to countering bribery?
- Does the target have in place an adequate anti-bribery programme to prevent bribery?
- What would the likely impact be if bribery, historical or current, were discovered after the transaction had completed?

8D. JOINT VENTURE PARTNERS

In view of the possibility that MHB may be held responsible for the illegal activities of its co-venturers, we need to ensure that Joint Ventures in which MHB has a controlling interest adopt this ABC Manual.

Where MHB neither controls nor operates the Joint Venture (“JV”) or where MHB holds a minority interest, we should:

- Make reasonable efforts to influence the JV Partner to adopt the ABC Manual (or substantially equivalent standards and principles) and to comply with all applicable anti-bribery and corruption laws and to establish controls substantially similar to MHB standards to prevent bribery
- Be alert to warning signs which may arise in the conduct of the business. Any such warning signs must be reported to the Government Communication and Compliance Unit of Legal Department and appropriate action to be taken; and
- Require (or where this right does not formally exist, request) that the majority partner or JV entity to provide written representation of anti-bribery compliance on an annual basis.

PART 9: RECRUITMENT OF EMPLOYEES

MHB, being a diversified entity, provides equal opportunity for any qualified and competent individual to be employed by the company from various multicultural and multiracial background, sourced from both MHB sponsorship programme and externally, local and internationally.

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:

In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.

If you find or suspect that another person subject to this policy has violated or about to violate this policy or applicable law, whether deliberately or inadvertently, you must forthwith report the same, in writing, to your Head of Department or your Human Resource Department.

DO'S

- ✓ Do ensure that the due process and procedure are carried out based on the approved selection criteria when recruiting new employees. This is to avoid any allegations of bribery and corruption.
- ✓ Do ensure that due diligence is carried out to confirm that the candidate is the suitable person based on eligibility criteria and/or other prerequisites, rules and guidelines.
- ✓ Do ensure that relevant approvals are obtained from the respective Approving Authority prior to issuance of an offer letter.
- ✓ Do ensure that if the candidate to be employed has family/household relationship to a MHB staff or director, it is properly recorded and is being made transparent.
- ✓ Do ensure that all right, entitlements and benefits given to the candidate are reasonable in value.
- ✓ Do ensure that any 'red flag' is resolved before recruiting. For example, if the candidate is a relative of a government official, you must ensure that it is not against the laws of the relevant country.
- ✓ Do ensure that all documentations (including invoices and receipts) are properly recorded and kept.

DON'TS

- ✘ Do not recruit an employee without undergoing the proper process and procedures set by MHB to ensure that there is no perception of bribery or corruption.
- ✘ Do not try to circumvent any guidelines, rules or procedures when selecting new employees as it might put you and MHB in trouble in the event of any bribery allegation.
- ✘ Do not try to conceal any information where you think that there might be a conflict of interest. If you are unsure, please consult your Head of Division or Department, Human Resources or Legal Department.
- ✘ Do not arbitrarily award rights entitlements and benefits. The value and types of rights, entitlements and benefits must be based on the guidelines prepared by MHB.
- ✘ Do not fail to give particular attention to any laws, guidelines or policies when a public official is involved, as some countries might impose particular requirements. Always consult your Head of Division or Department, Human Resource or Legal Department.
- ✘ Do not conceal, alter, destroy or otherwise modify any documentation

PART 10: MHB WHISTLEBLOWING POLICY

MHB encourages openness and transparency in its commitment to the highest standard of integrity and accountability.

If you make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken. In addition, employees who whistle blow internally will be also are protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

Further details can be found at MHB Whistleblowing Policy at www.mhb.com.my or <http://eportal.mmhe.com.my/Documents/Whistleblowing>

PROCEDURAL MATTERS

CONSEQUENCES OF A BREACH

Adherence to this Policy and Guidelines is critical to the smooth running of its business or enterprise and is for the common good of MHB and its employees.

Any conduct which is not in accordance with the principles set out in this Policy and Guidelines will be dealt according to Part IV of the CoBE and other applicable local laws.

HOW TO MAKE A REPORT ON ANY BREACH

Any alleged or suspected improper conduct must be disclosed using the procedures provided for in the MHB Whistleblowing Policy as adopted for your jurisdiction, a copy of which is available from your Human Resource Department. Detailed procedures on whistleblowing can be obtained at <http://eportal.mmhe.com.my/Documents/Whistleblowing>

FURTHER CLARIFICATIONS

Should you require further clarification with regards to this Policy and Guidelines, depending on the subject concerned, you should consult your Human Resource Department or Legal Department and/ or your Head of Division or Department.

If you require additional information or clarification, please email your queries to the Government Communication and Compliance Unit of Legal Department or Human Resource Department and Industrial Relations & Union Management.

REGISTERING ANY CONFLICTS OF INTERESTS, GIFTS AND CORPORATE HOSPITALITY

All conflicts of interests (potential or real) and matters related to giving or receiving gifts / entertainment / corporate hospitality will be registered according to the policies and procedures of the respective Human Resource Department of the said Business or Operating Units. Please liaise with your Human Resource personnel for further information on the procedures for registration.

'MHB reserves the right to amend this MHB Anti-Bribery and Corruption Policy and Guidelines as whenever it deems fit'