

**AGX GROUP BERHAD**  
**Anti-Corruption and Bribery Policy**

## **1. INTRODUCTION**

The Board of Directors (“Board”) of AGX Group Berhad (“AGB” or the “Company”) and its subsidiaries (“AGB Group” or the “Group”), has established and adopted this Anti-Corruption and Bribery Policy (“Policy”). The Company is committed in conducting the business ethically, as well as complying with all applicable laws, rules and regulations imposed by the Malaysian Government as well as the Group’s policies, which include, but not limited to, the Malaysian Anti-Corruption Commission Act 2009 (including any amendments thereof) (“**MACCA**”), the Group’s Whistleblowing Policy and the Group’s Code of Conduct and Ethics. This policy is guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the MACCA.

This Policy establishes the boundaries on interactions with all parties. It also provides information and guidance on how to act when subjected to potential acts of bribery and matters of corruption that may arise in the course of daily business and operation activities of the Company and Group.

## **2. PURPOSE**

The purpose of this Policy is to:

- i. set out our responsibilities to comply with laws against bribery and corruption;
- ii. provide information and guidance to those working for the Group on how to recognize and deal with corruption and bribery issues; and
- iii. to ensure that AGB has adequate procedures in place to prevent and detect bribery and corruption.

## **3. SCOPE AND APPLICATION**

This Policy applies to all directors (“Board”), officers and employees working at all levels and grades (whether permanent, contract or temporary) (“Employees”) and any third parties associated with AGB and the Group.

In this Policy, the associated third parties shall refer to any individual or organization that an associate may come into contact during the course of his/her engagement with the Company or Group, which may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisers, government and public bodies including their advisors, representatives and officials (hereafter together defined as “Associated Third Parties”).

#### 4. DEFINITIONS

The following definitions are included in this Policy:

“Benefits” : Any form of advantages or profits gained by the Board, the Employees, and the Associated Third Parties.

“Bribery” : Any action which would be considered as an offence of giving or receiving ‘gratification’ under MACCA.

In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organization.

‘Gratification’ is defined in the MACCA to mean the following:

- (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;*
- (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;*
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;*
- (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage,*
- (e) any forbearance to demand any money or money’s worth or valuable thing;*
- (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty;*
- (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).*

“Corruption” : The provision or receipt of monetary or non-monetary bribe or reward of high value for performing in relation to the Board, the Employees and the Associated Third Parties’ duties. This includes misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.

“Donations and Sponsorship” : Charitable contributions and sponsorship payment made to support the community.

- “Entertainment” : (a) the provision of recreation; or  
(b) the provision of accommodation or travel in connection with or for the purpose of facilitating entertainment of the kind mentioned in item (a) above, with or without consideration paid whether in cash or in kind, in promoting or in connection with a trade or business activities and/or transactions.
- “Facilitation Payments” : Small sums or bribe, unofficial payment made to secure or expedite the performance of a routine action by the Board, the employees and the Associated Third Parties.
- “Kickbacks” : Any forms of payment intended as compensation for favorable treatment or other improper services. This includes the return of a sum already paid or due as a reward for awarding of furthering business.
- “Gifts” : Any form of monetary or non-monetary such as goods, services, cash or cash equivalents, fees, rewards, facilities or benefits given to or received by the Board, the Employees and the Associated Third Parties, his or her spouses or any other person on his or her behalf, without any or insufficient consideration known to the Board, the Employees and the Associated Third Parties.

## 5. OUR PRINCIPLES

- 5.1 All forms of bribery and corruption are prohibited. Our Group upholds a zero-tolerance approach. In addition to bribery, our Company and the Group is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices.
- 5.2 We conduct all of our business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our relationships and business dealings in accordance with our Code of Conduct and Ethics, and to implement and enforce effective system to counter bribery.
- 5.3 We will uphold all laws relevant to countering corruption and bribery. We remain bound by the laws of Malaysia, including the MACCA and any of its amendments or re-enactment that may be made by the relevant authority from time to time in respect of our conduct both at home and abroad. In cases of conflict between mandatory law and the principles contained in this Policy, the law shall prevail.
- 5.4 To address these risks, we have taken the following steps to:
- a) Implement this Policy;
  - b) Perform regular corruption risk assessment on our operations and review findings;
  - c) Implement training programs for all individuals operating in areas of the organization that are identified as high risk; and
  - d) Undertake regular review and update to this Policy.

## **6. CORRUPTIONS, GIFTS, BENEFITS, ENTERTAINMENT AND FACILITATION PAYMENT**

- 6.1 Our Group prohibits both the giving and receiving of Gifts, Benefits and/or Entertainment to influence business decisions. Board, Employees and Associated Third Parties must comply with all applicable policies, procedures, laws and regulations related to the use of Gifts, Benefits and/or Entertainment in all countries in which the Group operates in.
- 6.2 All persons who are subject to this Policy shall NOT:
- a) Offer, give, or promise to give a bribe or anything which may be viewed as a bribe to secure or award an improper business advantage;
  - b) Offer, give, or promise to give a bribe or anything which may be viewed to a government officer, agent or representative to facilitate, expedite or reward any action or procedure;
  - c) Request or receive a bribe or anything which may be viewed as a bribe from a third party knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them; or
  - d) Engage in any activity that might lead to a breach of this Policy.
- 6.3 It is acknowledged that the practice of business gifts and donation varies between countries, and what may be deemed as acceptable in one country may not be in another. Divisions and/or Regions are therefore encouraged to develop further guidelines cascading from this Policy, to streamline thresholds and develop specific requirements applicable to the respective Division/Region.
- 6.4 All persons who are subjected to this Policy shall exercise proper care and judgement; and take into consideration the impact of their actions with regards to how their actions are perceived (i.e., influencing their decision) and its impact towards the business operations of the Company and/or the Group prior to giving or accepting any Gifts, Benefits and/or Entertainment.
- 6.5 Company and the Group allows appropriate business-related Gifts, Benefits and/or Entertainment. We also encourage the use of good judgement when giving or receiving the Gifts, Benefits and/or Entertainment. Reasonable Gifts, Benefits and/or Entertainment are acceptable provided that the following principles are observed:
- a) Transparency
    - Should be comfortable to disclose to your colleagues that Gifts, Benefits and/ or Entertainment are offered/received
  - b) Recipients
    - Should only offer/accept Gifts, Benefits and/or Entertainment to/from those who will not put you in a position of conflict
  - c) Ability to Influence
    - The Gifts, Benefits and/or Entertainments must not be offered/accepted when there is a pending business decision
  - d) Value
    - The Gifts, Benefits and/or Entertainment must be modest and must not be so frequent so as to place the recipient under obligation

- e) Purpose
  - The intention behind the Gifts, Benefits and/or Entertainment must not be interpreted as to gain unmerited advantage

6.6 The Group adopts a strict policy of disallowing the use of facilitation payments in its business. Employees are expected to notify their Head of Country or Managing Director when encountered with any requests for a facilitation payment.

## **8. ASSOCIATED THIRD PARTIES AND PROCUREMENT PROCESS**

8.1 We had processes and adheres to the system of internal control on supplier selection. Supplier selection should never be based on receipt of the Gifts, Benefits and/or Entertainment.

8.2 Selection of supplier shall subject to clear adherence to this Policy.

8.3 Appropriate assessment shall be conducted on individuals or third parties to ensure the business and background of the potential business partners are free from bribery and/ or corruption elements and/ or conflict of interest prior to procurement process.

8.4 The Group shall ensure to include clauses in all contracts and legal documents enabling the Group to terminate any contract in which bribery or corruption has been observed or detected.

## **9. POLITICAL DONATIONS AND CONTRIBUTION**

9.1 We do not make charitable donations or contributions to political parties, candidates or campaigns for political office. Whilst our Board, Employees and the Associated Third Parties acting in their personal capacity as citizens are not restricted to make any personal political donations, our Group will not make any reimbursement for these personal political contributions.

## **10. SPONSORSHIP, DONATIONS AND CONTRIBUTION TO CHARITY OR SOCIAL PROJECTS**

10.1 Contributions or donations made by the Group to community projects or charities need to be made in good faith and in compliance with this Policy and all relevant policies and procedures. It should be made directly to an official entity and is able to disclosed publicly when required to.

10.2 The Company and Group's property, facilities, services or employee time can not be used for or contributed to any political party or candidate for public office without approval by the CBoard.

10.3 No donation should be made which may or may be perceived as breach of applicable laws or any other sections of this Policy.

## **11. RESPONSIBILITIES**

- 11.1 The Board has oversight authority over this Policy. The management level of the Group (i.e., CEO/CFO/ED/GM/HOD) are responsible for ensuring the compliance with this Policy.
- 11.2 All Employees are responsible for understanding and complying with this Policy. In particular, the role of all Employees includes the following:
- i. Be familiar with applicable requirements and directives of the Policy and communicate them to subordinates;
  - ii. Promptly record all transactions and payments accurately and in reasonable detail;
  - iii. Always report suspicious transactions to superiors, managers and other appropriate personnel for guidance on next course of action;
  - iv. Promptly report violations or suspected violations through appropriate channels.
- 11.3 Any violation of this Policy will be regarded as serious matter and will result in disciplinary action, including dismissal and termination in accordance with local laws.
- 11.4 An employee will be accountable individually whether he or she pays a bribe himself or herself or whether he or she authorizes, assists or conspires with someone else to violate this Policy. Punishment for violating the law are against him/her as an individual and may include imprisonment, probation, mandated community service and monetary fines and others which will not be paid by the Company and Group.

## **12. RECORD KEEPING**

- 12.1 We must keep all financial records and have appropriate internal controls in place which will evidence, substantiate and justify that business reason for making payments to, and receiving payments from third parties.
- 12.2 We must ensure all expenses claims relating to gifts or entertainment made to third parties are submitted in accordance with the Company's reimbursement procedures and/or applicable policy and specifically record the reason for such expenditure. All the parties shall further ensure that all expense claims shall comply with the terms and conditions of this Policy.
- 12.3 All documents, accounts, invoices and records relating to dealings with third parties, such as customers, suppliers and business contracts, should be prepared and maintained with strict accuracy and completeness. No accounts should be kept "off-book" to facilitate or conceal improper payments.

### **13. CONFIDENTIALITY AND PROTECTION**

- 13.1 Individuals who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.
- 13.2 We are committed to ensuring that no one will suffer any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting concerns under this Policy in good faith their suspicion that an actual or potential bribery 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.
- 13.3 Concerns may also be raised through the Group's Whistleblowing Channel. The provision, protection and procedures of the Whistleblowing Policy for the reporting of the violations of the Policy are available on the Group's website [AGB's website, ensure there is a selection for Whistleblowing] .
- 13.4 Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

### **14. TRAINING AND COMMUNICATION**

- 14.1 Training on this Policy is mandatory and attendance is compulsory for all directors, officers and employees. Training on this Policy forms part of the induction process for all new employees. Thereafter all existing directors, officers and employees will be required to attend periodic updates, reviews and training on how to implement and adhere to this Policy.
- 14.2 Our zero-tolerance approach to corruption and bribery must be communicated to all the Associated Third Parties at the outset of our business relationship with them and as appropriate thereafter.

### **15. MONITORING AND REVIEW**

- 15.1 The Board, Employees and the Associated Third Parties are responsible for the implementation of this Policy and should ensure adherence to this Policy and use it to disclose any suspected wrongdoing.
- 15.2 Internal control systems and procedures will be subject to regular audits to provide assurance that they are continuously effective in countering corruption and bribery.
- 15.3 This Policy shall be reviewed periodically (i.e. at least once every 3 years) and amended at any time by the Company. All the Board, Employees and the Associated



Third Parties are welcome to comment on this Policy and suggest ways in which it might be improved and will be notified of any material revisions of this Policy.

## 16. RED FLAGS

- 16.1 The following is a non-exhaustive list of possible red flags (for illustrative purposes only) that may arise for an individual while working for the Company or Group and which may raise concerns under various anti-corruption and anti-bribery laws.
- 16.2 If the Board, Employees and the Associated Third Party come across any of these red flags or believe it may occur potentially while working for the Company or Group, these red flags must be investigated and addressed before the engagement/ dealing can be proceed.
- 16.3 Examples of red flags include the following:
- The third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
  - The third party has “special” ties with government or public officials;
  - The third party requests the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us, or a shell entity as a middleman especially when domiciled in secrecy haven;
  - Objection to anti-bribery warranties in the agreement(s)/ contract(s);
  - Convolutd payment arrangements such as payment in cash, payment to third party or request for upfront payment for expenses or other fees;
  - The third party requests for his/her identity not to be disclosed;
  - The third party refuses to provide an invoice or receipt for a payment, or you receive an invoice or receipt that appears to be non-standard or customized.