



M&A Securities Sdn Bhd (15017-H)

(A Wholly-Owned Subsidiary of Insas Berhad)

Policies and Procedures Anti-Bribery and Anti-Corruption

I. Definitions and Abbreviations

Term	Description
Benefits	Means any form of advantages or profits gained by the staff, directors and the Associated Third Parties
Donations	Means voluntary one off contributions to an institution or organisation where M&A does not receive or expects to receive anything in return.
Director	Means member of the M&A's board of directors and its subsidiaries
Staff	Means all staff of M&A including executive and non-executive, interns, temporary and contract staff.
Gift	Means any form of monetary or non-monetary such as goods, services, cash or equivalents, fees, rewards, facilities, or benefits given to or received by the director, staff, and the Associated Third Parties, his or her spouses or any other person on his or her behalf.
Hospitality and Entertainment	Means <ul style="list-style-type: none"> (a) The provision of recreation; or (b) The provision of travel, transportation, lodging or entertainment and it also includes and/or a meals when offered as part of (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
Gratification	Means <ul style="list-style-type: none"> (a) Money, donation, gift, loan, fee, reward, valuable security, property or interest being property of any description whether movable or immovable, financial benefit, or any 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;

	<ul style="list-style-type: none">(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 liability 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 of duty; and(g) Any offer, undertaking or promise, whether conditional or unconditional, or any gratification within the meaning of any of the preceding paragraphs (a) to (f)
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1. Introduction

As a PO and subsidiary of public listed company, M&A is committed to maintaining a high standard of integrity, investor confidence and good corporate governance.

All staff are required to comply with the following principles:

- To perform their duties objectively;
- Not to give or accept gifts and/or benefits that will compromise, or appear to compromise their integrity and objective in performing their duties; do not bribe anyone for any reason;
- Not to give or accept gifts and/or benefits that cause, or appear to cause conflict of interest;
- Exercise good judgement to ensure their interactions with all 3rd parties-whether business partners or Public Officers;
- Record gifts or benefits worth RM200 or more in the Gift and Entertainment Register;
- Record in the Gift and Entertainment Form where a gift or benefits provided on behalf of M&A is in excess of RM200;
- Decline gifts and/or benefits worth more than RM600 or more (unless exception applies and must be declared to Compliance and approved by the authorised person).

2. Scope

This policy applies to all employees of M&A including interns, contract staff, temporary staff, staff under probation, 3rd party service providers, contractors , consultants and directors.

3rd party means any individual or organisation that the staff comes into contact with during the course of his/her work, and includes potential clients, suppliers, agents, advisers, agents, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

3. What is Bribery and Corruption?

Corruption is a form of [dishonesty](#) or criminal activity undertaken by a person or organization entrusted with a position of authority, often to acquire illicit benefit, or, abuse of entrusted power for one's private gain.

Four (4) main offences stipulated in the

Malaysian Anti-Corruption Act 2009 (MACC Act 2009) (Act 694) :

1. Soliciting/Receiving Gratification (Bribe) [section 16 & 17(a) MACC Act 2009]
2. Offering/Giving Gratification (Bribe) [section 17(b) MACC Act 2009]
3. Intending to Deceive (False Claim) [Section 18 MACC Act 2009]
4. Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [Section 23 MACC Act 2009]

MACC Amendment Bill 2018 introduces Corporate Liability for Corruption Offences

The Bill introduced a new section 17A into the MACC Act. This section will set out that a commercial organisation commits an offence if any person associated with the commercial organisation commits a corrupt act in order to obtain or retain business or advantage for the commercial organization.

A commercial organisation will now commit an offence if a person associated with the commercial organisation does the following:

- (i) That person corruptly gives, agrees to give, promises or offers to any person any gratification; and
- (ii) That person has the intention to obtain or retain business or an advantage for the commercial organisation.

Bribery

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.



Source : Malaysian Anti-Corruption Commission

4. Policy Statement

M&A take a no appetite for bribery and corruption risk. All employees are not permitted to give, offer, promised, accept, request or authorise a briber, whether directly or indirectly. It is our policy to conduct our business in an honest and ethical manner.

4.1 Gifts ,Hospitality and Entertainment

All staff must comply with the Company's Gifts, Hospitality and Entertainment policy.

Staff must declare all gifts and benefits, values at RM200 or more.

Staff are required to decline gifts and benefits which value at RM200 or more with the exceptions below:

- i. Work related conference, branch visits, meeting in KL office (where travel is involved, the Company with pay for the flights, toll, parking, petrol, train tickets, travelling expenses to the airport and accommodation);
- ii. Working lunches

4.2 Approval process for gift and benefits

Staff should discuss with their Manager before they accept a gift/benefit offered.

Thereafter, the staff is required to fill up the Gift and Entertainment Claim Form and submit to the Manager within one week after he/she received the gift/benefit.

The manager to decide whether to approve, decline, donate or return the gift. For gift/benefit value more than RM600, the Manager is required to notify the Compliance Department.

4.3 Acceptable gift and entertainment expenditure

Gifts and genuine hospitality and entertainment expenditure that is reasonable and proportionate is allowable provided it complies with the principles below:

- i. Must be modest, reasonable and infrequent insofar as any individual is concerned;
- ii. Made for the right reason. It should be clearly given as an act of appreciation or common courtesy associated with standard business practice;
- iii. No obligation. It does not place the recipient under any obligation;
- iv. Made openly;
- v. Good judgement;
- vi. Legal and ethically acceptable. For example, "adult entertainment" events and events at venues such as massage parlors are not acceptable.
- vii. Pre-approval. Any permissible hospitality or entertainment given for value more than RM600 must be pre-approved by the Managing Director (CF Department) and Executive Director (equities). Any payment that deemed excessive must be approved by DWGK.

Example of acceptable gifts/hospitality and entertainment:

- i. Gifts, souvenirs offered or received in business situations. Example: seminars, conference and business events;
- ii. Light refreshments. Example: modest meal during a meeting or as participant of working group;
- iii. Festive open house, annual dinner for staff and remisiers and business associate.
- iv. Premium items/promotional goods such as T-shirts, goodie bags, key chains, umbrella, pen drive etc. for the purpose of Company's marketing events.

Gifts, hospitality and entertainment expenses are not permitted if :

- i. It might influence the outcome of a business transaction;
- ii. For purpose of facilitating or expediting any decision to award new business, to renew existing business or to take any action;
- iii. Given for personal benefit, friendship, personal acquaintances or family purpose.

Unacceptable gifts and benefits:

- i. Gifts in the form of cash or cash equivalent vouchers;
- ii. Making incomplete, false or inaccurate claims.

4.4 Facilitation Payments

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action.

Staff are prohibited from making facilitation payments.

4.5 Political Contributions

Staff may participate in the political activities on an individual basis but does not permit to use the Company's resources for such activities.

Any form of donations at the Company's level to the political parties must be approved by the Managing Director or Executive Director.

The political contributions made must be permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return.

4.6 Preferences, Favors or Undue Advantages

Do not offer, promise, make, accept or ask for any preference, favors or other undue advantages that could influence or appear to influence the staff or the recipient's professional objectivity. Example: hiring a Public Official's relative as a staff or intern or promise of a future employment opportunity.

The hiring if necessary must comply with Company's hiring standards, qualification requirements, experience and fair market remuneration principles.

4.7 Third Parties Interacting with Public Officials

The Company is held liable for acts of bribery or corruption by Third Parties whilst interacting with Public Officials on our behalf. The third parties include lawyers, consultants, tax advisors, contractors and service providers.

Due diligence must be conducted before hiring or renewing the engagement of Third Parties. For major engagement, example system vendors, the Company must sign written agreement that clearly define the scope of services, anti-bribery standards and a clause allowing termination for non-compliance.

The Company should perform background screening on suppliers and business associates and they are required to complete the Anti-bribery & Anti-corruption Due Diligence Questionnaire.

The background screening can be done through media search, Experian or other source which is available.

4.8 Donations, Charitable Contributions and Sponsorships

The Company supports Corporate Social Responsibility ("CSR") projects and the use of donations, contributions and sponsorship. However, staff must be careful to ensure such donations, contributions and sponsorships are not used to secure a business advantage or for any improper purpose such as to bribe or self-enrich.

No donation to be offered or made on behalf of the Company without the prior approval from the MD or Executive Director.

4.9 Payments to Facilitate Tax Evasion

The Company will not facilitate the evasion of tax by client, supplier or other third party by making payments to off-shore bank accounts or by other means which have no commercial basis or clearly could be construed by tax authorities to be facilitated tax evasion by the recipient.

5. Your Responsibilities

All staff must read, understand, acknowledge and comply with this policy. It's the responsibility of staff to prevent, detect and report any bribery and corruption activity to their Manager/Compliance.

Staff who breaches this policy will subject to disciplinary action, including termination of employment.

6. Record-Keeping

Records of gifts, hospitality and entertainment expenses are kept in Finance Department according to our P&P for Records and Archive Management Manual. Approval for any kinds of payment is as per Company's Manual of Authority approved by the Board. The supporting documents, invoices, bills and memoranda must be filed together with the claim form for Management review or audit purposes. Payment to staff in term of claims is subject to review by the HR Department.

As for gifts, hospitality and entertainment received or accepted, the record is kept by the Compliance Department.

7. Exceptions

Any exception to the code of conduct set out in this policy must be approved by the MD/Executive Director.

8. How to Raise a Concern

All staff has a responsibility to help to detect, prevent and report instances of bribery and corruption.

Staff are required to report or discuss with their manager/Compliance if they are unsure whether a particular act constitutes bribery or corruption.

9. Internal Monitoring and Review

Payment to staff/director in term of claims is subject to review by the HR Department.

Internal Audit to perform regular review on the claim register to identify any emerging risk bribery and corruption, e.g. frequent and substantial claims by a particular staff, exceptional large amount of payment to third parties etc.

10. Training and Awareness

Training on this policy forms part of the induction process for all new staff and remisier.

Existing staff and remisiers are required to read, acknowledge and understand this P&P on yearly basis.

Any amendment or update to the P&P shall be communicated as soon as possible to staff and remisiers once the P&P is approved by the Board. The latest updated P&P will be circulated through internal memo from the Head of Operations.

Annual training will be conducted by our Compliance Department to all staff and remisiers.

A copy of the P&P is published on Company website and all internal procedures and forms relating to anti-bribery and anti-corruption is stored at Public Folder so that they are accessible by all staff and directors.

11. Red Flags

The following is a non-exhaustive list of possible red flags (for illustrative purposes only) that may arise for an individual while working for M&A and which may raise concerns under various anti-corruption and bribery laws.

If any person who is subject to this P&P encounters any of these red flags while working for M&A, he/she must make report promptly in accordance with the procedure as set out in our Whistleblowing P&P.

- (a) Become aware that a third party engages in, or has been accused of engaging in improper business practices, improper conduct or has a reputation for paying bribes or requiring bribes;

- (b) A third party demands gifts, benefits, commission or fees before committing or continue to sign up a contract;
- (c) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (d) A third party refuses to provide or provide insufficient, false or inconsistent information in response to due diligence questions;
- (e) A third party requests the uses of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us, or a shell entity serves as a middleman especially when domiciled in secrecy haven;
- (f) There are signs that the third party is not acting on his own behalf, but is trying to conceal the true beneficial owner's identity;
- (g) A third party has a reputation of having a "special relationship" with a government, political party or other public official or has been specifically requested by a public official;
- (h) A third party refuses to sign a commission or fee agreement or insists on the use of a side-letter relating to the payment of funds;
- (i) A third party requests an unusually large or inappropriate commission, retainer, bonus or other fee or an unexpected additional fee or commission to "facilitate" a service;
- (j) A third party requests payment in cash or cash equivalent such as money order, refuses to provide an invoice or receipt;
- (k) A 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;
- (l) A third party requests that a transaction is structured to evade normal record-keeping or reporting requirements;
- (m) A third party refuses to abide by this P&P or does not demonstrate that it has adequate internal anti-corruption and bribery policies and procedures in place;
- (n) Been offered an unusually generous gifts or lavish benefits or entertainment by a third party.

12. Risk Assessment

A comprehensive risk assessment shall be performed every three (3) years on various business functions through Risk Identification/Scoring Form.

The assessment to include the following:

- (a) Opportunities for corruption and fraud activities resulting from weakness in the organisation's governance framework and internal system procedures;
- (b) Financial transactions that may disguise corrupt payments;
- (c) Business activities in countries or sectors that pose a higher corruption risk;
- (d) Non-compliance of external parties acting on behalf of M&A regarding legal and regulatory requirement related to anti-corruption;
- (e) Relationship with third parties in the supply chain (e.g. agents, vendors, contractors, and suppliers) which are likely to expose the Company to corruption.

13. Appendix 1-Gift, Hospitality and Entertainment Register

M & A SECURITIES SDN BHD (15017-H)	
Appendix 1 Gift, Hospitality and Entertainment Register	
Part 1 Receiving Gift, Hospitalisation and Entertainment	
Date Received	
Name of Recipient	
Name of Giver	
Description fo Gift/Hospitalisation/Entertainment	
Value (RM)#	
Reason For Acceptance	
Decision on what will happen to the gift/hospitalisation/entertainment	
Name of Approver/Date	
Acknowledged by Compliance Department	
Part 2 Offering Gift, Hospitalisation and Entertainment	
Date Offered	
Name of Offeror	
Name, Position, Company of Receiver	
Description fo Gift/Hospitalisation/Entertainment	
Value (RM)#	
Reason For Offering	
Name of Approver/Date	
Acknowledged by Compliance Department	
# based on estimated value	