

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. INTRODUCTION

- 1.1 Mercury Securities Group Berhad (“**Company**”) is committed to conducting its business professionally, ethically and with integrity and in compliance with all applicable laws and regulations in the countries where it does business. The laws include the Malaysian Anti-Corruption Commission Act 2009 (revised 2018) which prohibit acts of bribery and corruption, and mandate that companies establish adequate procedures to prevent bribery and corruption.
- 1.2 Under the Malaysian Anti-Corruption Commission Act 2009 (revised 2018) (“**MACC Act**”), bribery and corruption are criminal offences and the legal consequences include fine of unlimited amount and/or imprisonment of up to 20 years. A commercial organisation commits an offence if an associated person corruptly gives any gratification with intent to obtain or retain business or an advantage in the conduct of business, for the commercial organisation. “Gratification” means:
- 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;
 - 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; and
 - 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).
- 1.3 If an offence is committed by a commercial organisation, the MACC Act also deems its directors, controller, officer, partner or persons concerned in its management of affairs to have committed the same offence. It is therefore important that you understand how bribery and corruption may be committed and the legal consequences arising from such act as well as to take steps to prevent bribery and corruption from happening.

2. SCOPE

- 2.1 This Policy is applicable to anyone who is employed by or works at the Company and its subsidiaries (“**Group**”) (whether permanent, fixed-term or temporary basis), directors (executive and non-executive), company secretaries (collectively “**Personnel**”). It is also applicable to consultants, contractors, agents, representatives and service providers of any kind performing work or services, for or on behalf of the Group (collectively “**Business Partners**”).
- 2.2 The term “**we**”, “**us**”, or “**our**” when used in this Policy shall refer to Mercury Securities Group Berhad and its subsidiaries and the term “**you**” or “**your**” shall refer to each of our Personnel or Business Partners individually and in the case of Business Partners, including any entity which is controlled by our Business Partners unless the context indicates otherwise.
- 2.3 The term “**public officials**” when used in this Policy shall mean official of any governments, government agencies or regulatory, statutory or administrative bodies, whether local or foreign.

3. ANTI-BRIBERY AND ANTI-CORRUPTION

- 3.1 The Malaysian Anti-Corruption Commission in its official portal (www.sprm.gov.my) describes “corruption” as an act of giving or receiving any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job function or activity.

The MACC Act stipulates four (4) main offences, being:

- Soliciting/Receiving Gratification (Bribe) – Sections 16 & 17 (a) of the MACC Act.
- Offering/Giving Gratification (Bribe) – Section 17 (b) of the MACC Act.
- Intending to Deceive (False Claim) – Section 18 of the MACC Act.
- Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) – Section 23 of the MACC Act.

The Malaysian Anti-Corruption Commission (Amendment) Act 2018, which is in force from 1 June 2020 introduces two (2) more offences, being:

- Offering/Giving Gratification by commercial organisation (Corporate Liability) – Section 17A of the MACC Act.
- Deemed Parallel Personal Liability for Senior Personnel (Personal Liability) – Section 17A (3) of the MACC Act.

- 3.2 Corruption may include “bribery” which is any offering, promising, giving, requesting, agreeing to receive, accepting a gratification, or other advantages with the intention of inducing or rewarding someone to perform their job function or activity improperly. Form of bribery includes kickbacks, inflated commissions, expensive gifts, political donations, excessive or inappropriate entertainment.
- 3.3 This Policy prohibits all forms of bribery and corrupt practices, and makes no distinction between whether they are being made to persons in the public or private sectors. The Company’s relationship with public officials, our Personnel, Business Partners and any other parties are based on transparency and integrity.
- 3.4 Our Personnel and Business Partners must not directly or indirectly pay, offer or promise any gratification to any public official, party or their family members as an inducement for or reward for acting improperly. Furthermore, our Personnel must not directly or indirectly pay, offer or promise any gratification to customers, Business Partners or any party for the purpose of exerting influence, soliciting payment or other unfair or illegal preferential treatment.
- 3.5 Our Personnel will not suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

4. FACILITATION PAYMENTS

- 4.1 Facilitation payments are any form made personally to an individual in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function (e.g. influencing the timing of process or issuing of permits). In Malaysia, facilitation is illegal as it is seen as a form of corruption.
- 4.2 Our Personnel and Business Partners must not directly or indirectly offer, promise or give any form of facilitation payment to any public officials for any purposes.
- 4.3 There may be occasion where you are force to make facilitation payments in order to protect your life, limb or liberty. In such occasion, you must immediately report the incident to any Director of the Company for the necessary action to be taken.

5. GIFT, ENTERTAINMENT & HOSPITALITY

5.1 Gift

A. Providing Gift

- a) "Corporate gift" normally bears the Company's name and logo and are of nominal/ appropriate value such as diaries, table calendars, pens, notepads and plaques.

"Festive or ceremonial gifts" are traditional treats or gifts customary to the occasion such as red packets (without cash or cash equivalent), oranges and dates.

- b) Corporate gifts, festive or ceremonial gifts may be given to our Business Partners or other parties provided it fulfils all of the following conditions:

- (i) Made for the right season – it should be clearly given as an act of appreciation or common courtesy associated with festive seasons or other ceremonial occasions;
- (ii) No obligation – it must not be used to cause or induce the receiver to improperly or illegally influence any business action or inaction or cause others to perceive an improper influence;
- (iii) No expression – there must not be any expectation of any favour or improper advantages from the receiver;
- (iv) Made openly – if made secretly and undocumented then the purpose will be open to question;
- (v) Reasonable value – the type of gift and its value must commensurate with the occasion and in accordance with general business practice;
- (vi) Legal – it complies with applicable laws; and
- (vii) Documented – the expenses must be approved in accordance with and complies with the Group's standard operating procedures.

B. Accepting Gift

- a) The Company recognises that exchange of gifts is a very delicate matter where, in certain cultures or situations, gift giving is customary, a tradition or central part of business etiquette.
- b) Our Personnel are expected to decline (or avoid accepting) gifts with the exception being:
- (i) corporate gift of nominal/ appropriate value;

- (ii) festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions; or
- (iii) gifts given during invitation to speak at conferences or work-related conferences.

If you are in doubt of the acceptability, the gift must be refused.

- c) Our Personnel and Business Partner must not directly or indirectly solicit for gifts from any party for themselves or for or on behalf of the Company.
- d) Our Personnel must record any gift received, irrespective of value, in the Gifts Register within 5 working days of receipt. In no circumstances may our Personnel (or anyone on their behalf) accept gift in the form of cash or cash equivalent (*except for red packet tradition in token amount not exceeding RM100.00 during the relevant festive season*) from any party having business dealings with the Company.

5.2 Entertainment

A. Providing Entertainment

- a) It is a common practice within the business environment to provide entertainment to foster business relationship. The Company recognises the need to provide reasonable and proportionate entertainment under appropriate circumstances. Our Personnel may offer appropriate and proportionate entertainment that is legal and reasonable within the scope of their work as part of business networking as well as a measure of goodwill towards the recipients.
- b) Whilst the act of hospitality through entertainment is a central party of business etiquette, it may create a negative perception if observed or known by others despite selfless motives behind the entertainment provided. Our Personnel must always bear in mind that perceptions is more important than facts and therefore our Personnel is expected to always exercise proper care and good judgement when providing entertainment to external parties, especially when it involves public officials.
- c) Our Personnel must not directly or indirectly provide or offer to provide entertainment with a view to cause undue influence or in exchange for favours or advantages. Such acts are considered corruption.

B. Accepting Entertainment

- a) The Company recognises that occasional acceptance of appropriate and proportionate entertainment provided by our Business Partners or other parties in the normal course of business is a legitimate way to network and to build business relationship.

- b) However, it is important for our Personnel to exercise proper care and good judgement before accepting entertainment offered or provided by Business Partners or other external parties. This is to safeguard the Company's reputation and avoid allegations of impropriety or undue influence or worst, corruption.
- c) Our Personnel must at all times conduct themselves with integrity in relation to accepting entertainment from any party. Our Personnel or any of their family members must not accept entertainment in exchange for an exercise or non-exercise of their job function or activity.

5.3 Corporate Hospitality

Corporate hospitality is generally corporate events or activities organised by an organisation, which involves entertainment of employees and/or other parties for the benefit of that organisation. Examples of corporate hospitality include seminars/workshop/talks on subject matters relevant to the industry and town hall sessions. Other parties may include customers, consultants, bankers, lawyers, service providers of any kind, stakeholders with whom a business relationship (whether past, present or prospective) exists and the public at large.

A. Providing Corporate Hospitality

- a) The Company recognises that providing corporate hospitality be it through corporate events, sports events or public events, is a legitimate way to network, promote goodwill and build business relationship.
- b) While providing appropriate and proportionate corporate hospitality is a reflection of the Company's courtesy and generosity, our Personnel must exercise proper care and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit. More importantly, it must not be given or give rise to the perception that it is given to obtain business or advantage of any kind or unduly influence the outcome of a business decision.
- c) Malaysia and international anti-bribery and anti-corruption laws impose strict restrictions on the value and level of corporate hospitality to be accorded to public officials. The Company is committed to complying with all applicable laws and our Personnel must exercise caution when providing corporate hospitality to public officials. Our Personnel must consult their immediate supervisor when offering any corporate hospitality to public officials.

B. Accepting Corporate Hospitality

- a) As a general principle, our Personnel must not directly or indirectly solicit corporate hospitality or accept corporate hospitality of any form that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision. For instance, our Personnel must refrain from accepting corporate

hospitality from Business Partners who are engaged in a tender or competitive bidding exercise of the Company.

- b) Notwithstanding the above, the Company recognises that occasional acceptance of an appropriate level of corporate hospitality given in the normal course of business is usually a legitimate contribution to building good business relationship. However, our Personnel must exercise proper care and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit. More importantly, it must not be accepted or give rise to the perception that it is accepted to obtain business or advantages of any kind or unduly influence the outcome of a business decision.

6. DONATIONS AND SPONSORSHIPS

6.1 Prohibition of Donation/ Contribution to Political Parties or Individual Politicians

Our Personnel and Business Partners must not make donation or funding of any kind to political parties or individual politicians or towards political campaigns or initiatives for and on behalf of the Company.

Our Personnel may participate in political activities in their individual capacity with their own money and at their own time but to make it clear that their individual political views and actions are personal and not reflective or representative of the Company. The Company will not reimburse any personal political contributions.

6.2 Charitable or Educational Donations and Sponsorships

The Company will only provide charitable or educational donations and public welfare sponsorships if they are ethical and legal under applicable laws. All donations and sponsorship expenses must be approved jointly by 2 Directors of the Company.

Our Personnel and Business Partners must never use donations or sponsorship to obtain business advantage of any kind or unduly influence the outcome of a business decision or cause others to perceive it as such. The use of donations or sponsorship in this manner is strictly prohibited under this Policy.

7. BUSINESS PARTNERS AND THEIR CONDUCT

- 7.1 Our Personnel must carry out proper due diligence process and comply with the Company's standard operating procedures before on-boarding any Business Partners. This includes informing them of the Company's Anti-Bribery and Anti-Corruption Policy and all Business Partners must submit an Anti-Bribery and Anti-Corruption Declaration prior to on-boarding as the Group's service provider.

- 7.2 Our Personnel must monitor our Business Partners' performance periodically to be in compliance with this Policy, and where breach or suspected breach arises, immediate action must be taken. Failure to comply with this Policy by our Business Partners may lead to immediate termination of contract and claim for damages.
- 7.3 In addition to all applicable anti-bribery and anti-corruption laws to which it may be subjected to, the Company expects our Business Partners to comply with this Policy in relation to all dealings by them for, on behalf of or involving the Group. Our Business Partners must also refrain and procure its affiliates to refrain from taking any action that would result in a violation of any applicable anti-bribery and anti-corruption laws and this Policy.
- 7.4 Unless evidence suggest otherwise, all our Business Partners are independent contractors. They are not agent of or representative of the Company and they are not entitled or must not hold themselves out to have the authority to bind the Company for any purpose.

8. DEALING WITH GOVERNMENTS AND PUBLIC OFFICIALS

- 8.1 Our Personnel and Business Partners must comply with all applicable laws, conduct themselves with integrity and apply the highest ethical standards whenever they deal or otherwise engage with governments, government agencies, regulatory bodies, statutory bodies and any of its officials.
- 8.2 Our Personnel or Business Partners must not directly or indirectly exert, or attempt to exert, any improper or illegal influence on public officials.
- 8.3 In any information is required by any government, government agencies, regulatory bodies, statutory bodies, our Personnel must always consult their immediate supervisor before responding to such requests and ensure that all information provided is in good faith, truthful and accurate.
- 8.4 Any improper or secret payments or transfer of items of any value (including facilitation payments) to public officials is strictly prohibited. If you have any doubts on whether such payments constitute an improper, secret and/or facilitation payments, please refer to the Head of Compliance.
- 8.5 Any improper or secret payments or transfer of items of any value through intermediaries, or a third party, with the knowledge that all or part of the payment will contribute directly or indirectly as an improper, secret or facilitation payments to a public official is also strictly prohibited.

9. CONFLICTS OF INTEREST

- 9.1 Conflicts of interest arise where there is personnel interest that can be considered to have potential interference with objectivity in performing duties or exercising judgement for and on behalf of the Company. Our Personnel must avoid situations in which their personal interest would conflict with their duties and responsibilities. Our Personnel must not use their position, official working hours, the Company's resources and assets or information available to them for personal gain or to the Company's disadvantage.
- 9.2 In situations where conflict of interest arises, our Personnel are required to immediately declare the matter to their immediate supervisor.

10. WHISTLEBLOWING CHANNEL

- 10.1 If you suspect or reasonably believe that this Policy has been, or is being breached, you have an obligation to report your concerns to your Head of Division/ Department or the Integrity Team and where applicable, you may report such concerns using the reporting channels under the Whistleblowing Policy and Procedures available at <https://www.mercurysecurities.com.my/>.
- 10.2 All concerns reported will be taken seriously, treated in confidential manner and investigated immediately. Your anonymity will be protected unless the disclosure is required by law pursuant to an investigation or legislation, but you may be required to provide a statement as supporting evidence to any investigation. Any retaliation directed against anyone making such report will not be tolerated.
- 10.3 All reports shall be made in good faith and the report must be legitimate. Anyone who makes any malicious, scandalous or vexatious report, and particularly if they persist with such untrue allegations, they will be subjected to the Company's disciplinary actions.
- 10.4 If you have any queries or concerns about whether an act might constitute bribery or corruption, please contact the Integrity Team.

11. ANTI-BRIBERY AND ANTI-CORRUPTION COMPLIANCE FUNCTION

- 11.1 The Head of Compliance shall be responsible for all anti-bribery and anti-corruption compliance matters and shall report to the Audit and Risk Management Committee ("**ARMC**") relating to this matter.
- 11.2 The Head of Compliance shall be adequately equipped to act effectively against bribery and corruption in the following manner:
- a) provide advice and guidance on anti-corruption programme and issues relating to bribery and corruption;

- b) take appropriate steps to ensure that there is adequate monitoring, measurement, analysis and evaluation of the anti-corruption compliance programme; and
 - c) report on the performance of the anti-corruption compliance programme to the Management and ARMC regularly.
- 11.3 Appropriate resources shall be provided for effective operation of the anti-corruption compliance programme and that the Compliance Department is staffed with persons who have the appropriate competence, status, authority and independence.

12. REGULAR MONITORING AND REVIEW

- 12.1 The Company is committed to making the anti-bribery and anti-corruption effort as a continuous effort to maintain the reputation and standards of the Company.
- 12.2 Regular compliance audits (at least once a year) shall be conducted to monitor, review, improve and assess performance, efficiency and effectiveness of on-going anti-bribery and anti-corruption efforts by the Company. Such audits may be conducted internally by the Compliance Department, Internal Auditors or by an external party. The results of any audit, risk assessment, review of control measures and performance shall be reported to the ARMC and acted accordingly
- 12.3 Our Personnel is encouraged to raise any concerns or inadequacies in the anti-corruption compliance programme to the Head of Compliance.

13. ENFORCEMENT FOR NON-COMPLIANCE

- 13.1 The Company regards acts of bribery and corruption seriously and will take appropriate actions in the event of non-compliance of this Policy. For our Personnel, non-compliance of this Policy may lead to disciplinary action and termination of employment.
- 13.2 For Business Partners, non-compliance of this Policy may lead to termination of contract and claim for damages.

14. TRAINING AND COMMUNICATION

- 14.1 This Policy is a public document which shall be communicated to all our Personnel and Business Partners. Our Personnel and Business Partners must read and understand the Company's position on anti-bribery and anti-corruption.
- 14.2 Adequate training on the Company's anti-bribery and anti-corruption approach shall be provided to our Personnel.

15. GENERAL ENQUIRIES

15.1 In the event of any queries, you may contact the Company's Compliance Team at compliance @mersec.com.my.

16. CONFIRMATION BY OUR PERSONNEL

16.1 All our Personnel shall confirm that they have read, understood and will abide by this Policy. A copy of this confirmation shall be documented and retained by the Group Human Resources for the duration of their employment.