MKH BERHAD

Registration No: 197901006663 (50948-T)

ANTI-BRIBERY AND CORRUPTION POLICY

MKH BERHAD AND ITS SUBSIDIARIES

ANTI-BRIBERY AND CORRUPTION POLICY

1. Introduction

MKH Berhad ("**MKH**" or the "**Company**") and its subsidiaries (the **"MKH Group"** or **"Group"**) is committed to conducting the Group's business lawfully and ethically in all the countries where the businesses are located.

The Group has established this Anti-Bribery and Corruption Policy (**"Policy"**) which sets out its expectations for internal and external parties working for and on behalf of the Group in preventing bribery or corrupt practises in relation to the Group's businesses.

This Policy, which is revised in tandem with changes to regulatory requirements locally and abroad as well as improvement opportunities recommended by assurance providers, is approved by the Board. The latest version of this Policy is made available on the Company's website at www.mkhberhad.com

In the event of any conflicts between this Policy and applicable laws, the law shall prevail.

2. Scope

This Policy is generally applicable to the Board of Directors of MKH; employees of the Group; and suppliers, consultants, contractors, agents, advisors, and any person who or institution which performs services for or on behalf of the Group (collectively, **"Vendors"**), unless otherwise stated in the specific associated policies referred to in this Policy.

3. What is Bribery?

"Bribery" refers to the act of corruptly giving, agreeing to give, authorising, promising, offering, soliciting, receiving, or agreeing to receive any gratification. Gratification can take various forms, including monetary, non-monetary, services, favours, or any form of benefit or advantage, more specifically defined as follows:

- A gratification that is given or received with a corrupt intent, either as an inducement to gain or provide an undue advantage or reward for having gained or provided an undue advantage is considered a bribe;
- A gratification that is given or received with the corrupt intent to influence the intended recipient's judgement, views, or conduct, is considered a bribe; and
- A gratification that is given or received with a corrupt intent, including to induce or reward the improper performance of a party, or to obtain or retain business advantage, is considered a bribe.

The Malaysian Anti-Corruption Commission Act 2009 (**"MACC Act 2009"**) prohibits a person or a commercial organisation from giving or receiving bribes, including via agents or associates. Contravention of the law may result in fines and/or imprisonment of up to 20 years [Refer to ***Section 16***, ***Section 17***, and ***Section 17A*** of the *MACC Act 2009*].

4. Our Group's Anti-Bribery and Corruption Stance

The Group's anti-bribery and corruption stance is further explained as follows:

I. The Group shall not pay to, or receive bribes from, anyone for any purpose;

II. The Group shall uphold this anti-bribery and corruption stance across the Group's business and expects the same from stakeholders, internal and external to the Group's business, extending to all the Group's business dealings and activities;

III. The Directors, Management and staff of the Group as well as Vendors working for and on behalf of the Group shall adhere to and observe the Group's anti-bribery and corruption stance and relevant provisions of this Policy;

IV. In a situation where a Director, employee or Vendor is pressured to pay a facilitation payment to protect his/her physical safety or freedom, he/she shall prioritise his/her safety or freedom. If a facilitation payment is made in such a situation, the payment shall be immediately reported to the Group's Compliance Officer, Managing Director (or his designate), or the Audit Committee Chairman, as the case may be.

V. The Board treats any violation of this Policy seriously and shall undertake necessary actions, including, but are not limited to, review of employment or appointment, disciplinary actions, dismissal, termination of existing contract/agreement, and/or reporting to the authorities, consistent with the relevant laws and regulations.

5. Definitions

The following definitions and interpretations shall apply to this Policy:

"bribery"	refers to the act of corruptly authorising, giving, agreeing to give, promising, offering, soliciting, receiving, or agreeing to receive any gratification
"Business Associates"	includes the Group's joint-venture entities, joint-venture partners and business partners
"corruption"	is the abuse of entrusted power for private gain
"employee"	full-time, probationary, contract and temporary staff
"facilitation payments"	which is a small bribe, also called a 'facilitating', 'speed', or 'grease' payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement
"giving" or "paying" a bribe	refers to actions amounting to the act of giving, agreeing to give, promising, or offering a bribe by a person associated;

"gratification"	shall have the meaning as defined in the MACC Act 2009, i.e.: (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; 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)
"receiving" a bribe	refers to actions amounting to the act of soliciting or agreeing to receive a bribe by a person associated
"Vendors"	comprise suppliers, consultants, contractors, agents, advisors and any person who or institution which performs services for or on behalf of the Group
"person associated"	refers to a Director, employee of the Group or a person who performs services for or on behalf of the Group

6. Gifts, Entertainment, Hospitality and Travel

While the giving or receiving of gifts, entertainment, hospitality and travel are not prohibited, they must not be made with the intention, to improperly influence any business-related decisions or outcome. Gifts, entertainment, hospitality or travel which may improperly influence any business-related decisions or outcome is construed as a bribe.

Hence, Directors and employees of the Group as well as Vendors and business associates must avoid giving or receiving gifts, entertainment, hospitality or travel which may be construed as a bribe. The Group's business dealings, such as purchase orders, sales, and contracts, shall be conducted based on business merits, such as price competitiveness, quality of goods and services, and reliable track records.

Some examples of acceptable gifts, entertainment, hospitality and travel are as follows:

I. token gifts received/presented at business events, seminars, meetings or conferences;

II. refreshment or meals during meetings, seminars or conferences;

III. meals for business purposes; and

IV. reasonable travel arrangement and/or accommodation provided/received for business purposes.

7. Facilitation Payments

Facilitation payments shall mean unofficial and improper payments or benefits, such as gifts, entertainment, hospitality or travel, provided to secure or expedite a routine or necessary action to which the Group is legally entitled.

Directors of the Company, employees of the Group, Vendors and Business Associates are prohibited from, giving or receiving facilitation payments. The Group has formalised a **Facilitation Payment Policy** to provide guidance to personnel in the Group as well as Vendors and Business Associates.

8. Donations and Sponsorships

Donations and sponsorships made by the Group, shall not be made with the intention to influence any business-related decisions or outcome.

All donations and sponsorships shall be authorised, processed, and recorded in accordance with the Group's **Policy on Donation and Sponsorship.**

9. Offer of Business Incentives

The Group only provide rebates, discounts, commissions, or other incentives on bona fide business transactions and which are not contradictory with prevailing laws and regulations on anti-bribery and corruption. All business incentives shall be offered made in accordance with the Group's Policy on the Offer of **Business Incentives**.

10. Business Dealings with Integrity

The Group, in selecting its Directors, employees, Vendors and Business Associates, places great emphasis on business ethics and integrity. As such, the Group has established internal procedures which require due diligence checks to be conducted prior to appointment or engagement. Parties intending to conduct business with the Group are expected to adhere to the Group's due diligence procedures. The due diligence procedures are set out in the Group's Anti-Bribery and Corruption Framework.

Vendors and Business Associates of the Group are strongly encouraged to have in place adequate procedures to prevent bribery or corruption activities in doing business, especially when performing work or service for or on behalf of the Group.

For business arrangement or conduct of business activity which carries a higher bribery or corruption risk, as assessed and determined by the Group from time to time, the Group shall require the Vendor or Business Associate involved to have in place adequate procedures, including policies and procedures, to prevent bribery or corruption activities. For the same reason, the Group may retain the right to audit a Vendor or Business Associate as a condition for the business.

11. Records

It is important that proper and complete records and documentation of all transactions made by the Group with its Vendors and Business Associates be maintained as these serve as evidence that the transactions made were bona fide, and were not made with a corrupt or unethical intent.

All records, including work records, supply records, bank statements, accounts, receipts, invoices and other supporting documentation, shall be prepared and maintained by the Group with accuracy and completeness. These records shall be retained for at least seven (7) years following the period to which they relate.

12. Compliance Support and Reporting of Violation

Compliance with this Policy by Directors of the Company, employees of the Group, Vendors and Business Associates are mandatory. Concerns or queries pertaining to compliance with this Policy may be raised to the respective internal reporting lines, identified departmental officer or the Compliance Officer, Managing Director and Audit Committee.

Any person, including the general public, who knows of, or suspects, a violation of this Policy shall report their concerns through the whistleblowing mechanism set out under the **Whistle-blowing Policy and Procedures,** which is made available on the Company's website at www.mkhberhad.com

No individual shall be discriminated against or suffer any sort of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports shall be treated confidentially.

13. Review and Revision of Policy

This Policy which is reviewed and approved by the Board on 27 February 2025 shall be reviewed periodically to assess its effectiveness, and in any event, at least once every three (3) years taking into consideration changes in the law and regulatory requirements.