

ANTI-BRIBERY AND CORRUPTION POLICY & PROCEDURES

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1. INTRODUCTION

This Anti-Bribery and Corruption Policy (“ABC Policy” and/or “Policy”) sets out MPay’s principles in dealing with improper solicitation, bribery and other corrupt activities and related issues that may arise in MPay’s course of business. This Policy should be read in conjunction with MPay’s various policies & guidelines. This Policy is not intended to provide definitive answers to all issues related to bribery and corruption. If multiple documents speak on the same subject, then the more stringent provision shall apply at all times.

2. ANTI-BRIBERY AND CORRUPTION COMMITMENT

MPay is committed to conducting business dealings with integrity, honesty and respect. This means avoiding practices of bribery and corruption of all forms in MPay’s daily operations.

MPay has adopted a zero-tolerance approach against all forms of bribery and corruption. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business.

The Policy reflects MPay’s dedication to maintaining the highest level of integrity and ethics in MPay. Full compliance to both the spirit and the letter of this Policy is mandatory and should be maintained using a principle-based approach.

3. OBJECTIVE

This Policy sets out MPay’s overall position on bribery and corruption in all its forms. The Policy is not intended to be exhaustive as there may be additional obligations that the Personnel is expected to adhere to or comply when performing their duties. For all intents and purposes, the Personnel shall always observe and ensure compliance with this Policy and all applicable laws, rules and regulations in the performance of their duties.

4. SCOPE

This Policy is applicable to MPay, its Controlled Organisations, Business Associates acting on MPay’s behalf, the Board of Directors and all MPay’s Personnel and shall be amended from time to time in line with laws and regulatory requirements. All reviews and changes therein must be approved by the Board of Directors before coming into effect.

Joint-venture companies in which MPay is non-controlling or co-venture and associated companies are encouraged to adopt these or similar principles and standards. External Providers are also expected to comply with this Policy in relation to all work conducted with MPay, or on MPay’s behalf.



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MPay expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of MPay will comply with this Policy in relevant part when performing such work or services.

5. REFERENCES

- Employees Manual Handbook
- Whistleblowing Policy
- Conduct and Ethics
- ISO 37001:2016 Anti-bribery Management System

6. DEFINITIONS

“**Audit Committee**” means the Audit Committee of the Board of Directors of MPay;

“**Bribery & Corruption**” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act (MACCA) 2009. 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 who is in a position of trust within an organisation.

Bribery may be ‘outbound’, where someone acting on behalf of MPay attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be ‘inbound’, where an external party is attempting to influence someone within MPay such as a senior decision-maker or someone with access to confidential information.

“**Gratification**” is defined in the MACCA to mean the following:

- (a) money, donation & sponsorship, 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).

“Business Associate” means an external party with whom MPay has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

“Conflict of Interest” means when a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making at MPay.

“Controlled Organisation” means an entity where MPay has the decision-making power over the entity such that it has the right to appoint and remove the management. This would normally be where MPay has the controlling interest (>50% of the voting share ownership), but it could be where there is an agreement in place that MPay has the right to appoint the management, for example a joint venture where MPay has the largest (but still <50%) allocation of the voting shares;

“Corporate Gift” means something given from one organisation to another organisation or individuals, with the appointed representatives giving and accepting the gift. Corporate Gifts may also be promotional items given out equally to the general public at events, functions, trade shows and exhibitions as a part of building the company’s brand and include gifts from the company to its personnel in relation to an internally or externally recognised company’s events, functions or celebrations. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate Gifts normally bear the company’s name and logo. Examples of Corporate Gifts include items such as diaries, table calendars, pens, notepads and plaques.

“Donation & Sponsorship” means charitable contributions and sponsorship payments made to support the community. Examples include sponsorship of educational events, supporting NGOs, and other social causes;

“Exposed Position” means a staff position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving: procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which MPay has identified as vulnerable to bribery;

“Hospitality” means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as MPay’s offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included;

“MPay” means ManagePay Systems Berhad and its group of companies;

“Personnel” means directors and all individuals directly contracted to MPay on an employment basis, including permanent and temporary employees, including their family members and/or agents and/or appointed representatives

7. POLICY OWNER

The Group Managing Director (“GMD”) is the owner of this policy.

8. BRIBERY AND CORRUPTION

8.1A 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.

8.1B Corruption is the abuse of entrusted power for private gain. Bribery and Corruption which may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment, and are in all forms prohibited.

8.2 Statement.

MPay Personnel and its Business Associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value constituting bribe, kickback, personal favour etc, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of MPay or the persons involved in the transaction.

8.3 The anti-bribery and corruption statement above applies in all countries worldwide and to MPay’s business dealings with commercial (‘private sector’) and Government (‘public sector’) entities, and includes all MPay’s Personnel.

8.4 No employee or external party will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

8.5 MPay is also committed to conducting due diligence checks on prospective Personnel, particularly as it relates to appointments to positions where bribery or corruption risk has been identified.

9. RECOGNITION OF LOCAL AND INTERNATIONAL LEGISLATION

9.1 MPay is committed to conducting its business ethically and in compliance with all applicable laws and regulations in the countries where it does business.

9.2 These laws include but are not limited to the Malaysian Penal Code (revised 1977) (and its amendments), the Malaysian Anti-Corruption Commission Act 2009 and its amendments, the Companies Act 2016, the US Foreign Corrupt Practices Act 1977 (amended 1998), and the UK Bribery Act 2010. These laws prohibit bribery and acts of corruption, and mandate that companies establish and maintain accurate books and records and sufficient internal controls.

9.3 In cases where there is a conflict between mandatory laws and the principles contained herein and other relevant policies, the law shall prevail.

10. GIFTS, DONATIONS AND SPONSORSHIPS

- 10.1** MPay's Personnel are prohibited from directly, or indirectly, receiving or asking for (soliciting) gifts, which include cash or cash equivalent in the form of gift certificates, loans, commissions, coupons, discounts or any other related forms. It is the responsibility of the Personnel to inform external parties involved in any business dealings with MPay that MPay practices a "No-Gift" policy and to request the external party's understanding to adhere to the said policy.
- 10.2** Although the general principle is to immediately refuse and return gifts offered by the external party, accepting or receiving a gift on behalf of MPay may be allowed only under limited circumstances as follow:
- a) Corporate Gift not exceeding RM500 in a single receipt;
 - b) Customary and lawful under the circumstances;
 - c) Do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions.
 - d) No expectation of any specific favour or improper advantages from the intended recipients;
 - e) Independent business judgment of the intended recipients not affected;
 - f) No corrupt / criminal intent involved; and
 - g) Gift and Hospitality to be done in an open and transparent manner.

When in doubt, Personnel is to consult the Compliance Officer.

- 10.3** If a gift, entertainment or Hospitality is intended for public officials, Personnel must ensure that the gift, entertainment or Hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity subject to the limit referred to in 10.2(a) above.
- 10.4** If a Business Associate offers a Personnel a gift which falls outside of 10.2(a) above, Personnel shall politely decline and explain the rules in force in MPay. Subject to 10.2(a), the Personnel may accept the gift on MPay behalf and hand over the gift to the MD/CEO who may decide that the gift be given to charity, included in a festive draw within the departments or share with other employees in the department.

11. FACILITATION PAYMENTS

- 11.1** MPay adopts a strict policy of disallowing the use of facilitation payments in its business. Facilitation payment is an unofficial payment or other provision made



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personally to an individual in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function.

- 11.2** Personnel shall decline to make the payment and report to MD/CEO immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been made and Personnel are unsure of the nature, the MD/CEO must be notified immediately, and the payment shall be recorded accordingly. Personnel must not promise or offer, or agree to give or offer, facilitation payments to any other party.

12. SUPPORT LETTERS

MPay awards contracts and employee positions purely on a merit basis. Therefore, support letters in all forms shall not be recognised as part of the business decision making process.

13. RECRUITMENT, PROMOTION AND SUPPORT OF PERSONNEL

- 13.1** MPay recognises the value of integrity in its Personnel and Business Associates. MPay's recruitment, training, performance evaluation, remuneration, recognition and promotion for all MPay's Personnel, including management, shall be designed and regularly updated to recognize integrity.
- 13.2** The recruitment of Personnel 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 Personnel.
In line with this, proper background checks should be conducted in order to ensure that the potential Personnel has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring Personnel that would be responsible in management positions, as they would be tasked with decision making obligations.
- 13.3** MPay does not offer employment to prospective Personnel in return for their having improperly favoured MPay in a previous role.

14. BUSINESS ASSOCIATES

- 14.1** All Business Associates (including external providers such as consultants, advisors, vendors and agents) acting on behalf of MPay are required to comply with this Policy and all other related policies.
- 14.2** In circumstances where MPay retains controlling interest, such as in certain joint venture agreements, Business Associates are required to adhere to this Policy. Where MPay does not have controlling interest, Business Associates are encouraged to comply the same.
- 14.3** Due diligence should also be carried out with regards to any Business Associates intending to act on MPay's behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with MPay.

- 14.4** The extent of the due diligence should be based on a Bribery and Corruption risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, self-declaration, and documenting the reasons for choosing one particular Business Associate over another. The results of the due diligence process must be documented, retained for at least seven years and produced on request by the custodian of the process.
- 14.5** MPay shall include standard clauses in all contracts with Business Associates enabling MPay to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for Business Associates acting on MPay's behalf where bribery risk has been identified.

15. RESPONSIBILITIES OF MPAY PERSONNEL

- 15.1** All MPay's Personnel are required to carry out those responsibilities and obligations relating to MPay's anti-bribery and corruption stance, alongside those already in existence, which includes the following:
- a) Be familiar with applicable requirements and directives of the policy and communicate them to subordinates;
 - b) Promptly record all transactions and payments in MPay's books and records accurately and with reasonable detail;
 - c) Ask the MD/CEO if any questions about this Policy arise or if there is a lack of clarity about the required action in a particular situation;
 - d) Always raise suspicious transactions and other "red flags" (indicators of bribery or corruption) to immediate superiors for guidance on the next course of action;
 - e) Be alert to indications or evidence of possible violations of this Policy;
 - f) Promptly report violations or suspected violations through appropriate channels;
 - g) Attend required anti-bribery and corruption training as required according to position; and
 - h) Not misuse their position or MPay's name for personal advantage.
- 15.2** When dealing with Business Associates, all MPay's Personnel shall not:
- a) express unexplained or unjustifiable preference for certain parties;
 - b) make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
 - c) exert improper influence to obtain benefits from them;
 - d) directly or indirectly offer or make promise or corrupt payments, in cash or in kind for a specific favour or improper advantage from them.

15.3 During an active or anticipated procurement or tender exercise, Personnel participating in the exercise in any way whatsoever, shall not:

- a) receive gifts or Hospitality or any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise;
- b) provide anything other than a Corporate Gift and token Hospitality to any external/third party related to the exercise;
- c) be involved in any discussions regarding business or employment opportunities, for personal benefit or for the benefit of a Business Associate;
- d) abuse the decision-making and other delegated powers given by the top management; and
- e) bypass normal procurement or tender process and procedure.

15.4 When dealing with external parties in a position to make a decision to MPay's benefit (such as a Government official or client), MPay's Personnel shall not:

- a) offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offer or make promise of corrupt payments, in cash or in kind;
- b) be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party;
- c) otherwise abuse the decision-making and other delegated powers given by the top management, in order to illicitly secure an outcome which would be to the commercial advantage to themselves and/or MPay; and
- d) exert improper influence to obtain personal benefits from them.

15.5 MPay's managers have a particular responsibility to ensure that this Policy is applied and complied with within their department or function and to monitor compliance of the same. They also must ensure that subordinates in 'Exposed Positions' attend relevant training.

16. CONFLICTS OF INTEREST

16.1 A Conflict of Interest may arise in a situation where an individual is in a position to take advantage of his/her role in MPay for his/ her personal benefit, including the benefit of his/her family and/or friends and/or company. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by MPay from its Personnel in the performance of the Personnel's duties and obligations.

16.2 All Personnel should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, company's resources and assets, or information available to them for personal gain or to the company's disadvantage.

16.3 In situations where a conflict does occur, Personnel are required to declare the matter as per the Employees Handbook.

17. STAFF DECLARATIONS

17.1 All MPay's Personnel shall certify in writing that they have read, understood and will abide by this Policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the Personnel's employment. A sample declaration can be found in the **Appendix** of this Policy.

17.2 The MD/CEO reserves the right to request information regarding an employee's assets in the event that the person is implicated in any Bribery and Corruption-related accusation or incident.

18. ANTI-BRIBERY AND CORRUPTION COMPLIANCE FUNCTION

18.1 MPay shall establish and maintain an anti-bribery and corruption compliance function within the MD/CEO to oversee the design, implementation and management of this Policy.

18.2 The MD/CEO shall perform functions below within MPay's structure, equipped to act effectively against Bribery and Corruption:

- a) provide advice and guidance to Personnel on this Policy and issues relating to Bribery and Corruption;
- b) take appropriate steps to ensure that adequate monitoring, measurement, analysis and evaluation of this Policy is performed;
- c) report on the performance of this Policy to the top management and Audit Committee regularly.

18.3 Appropriate resources shall be provided for effective operation of this Policy and that the MD/CEO is staffed with persons who have the appropriate competence, status, authority and independence.

18.4 MPay shall conduct regular risk assessments to identify the Bribery and Corruption risks affecting the business, set anti-bribery and corruption objectives, and assess the effectiveness of the controls in achieving those objectives.

19. TRAINING AND AWARENESS

19.1 MPay shall conduct an awareness programme for all its Personnel on MPay's position regarding anti-bribery and corruption, integrity and ethics.

19.2 Training shall be provided on a regular basis, in accordance with the level of Bribery and Corruption risk related to the position. Training should be provided to Personnel who are:

- a) new to MPay;

b) appointed to or currently holding an Exposed Position.

19.3 Human Resources Department shall maintain records to identify which MPay Personnel have received training, and produce, communicate and update the training schedule in conjunction with MD/CEO.

19.4 Business Associates acting on behalf of MPay shall also undergo appropriate training, where a Bribery and Corruption risk assessment identifies them as posing Bribery and Corruption risk to MPay.

20. REPORTING OF POLICY VIOLATIONS

20.1 Suitable reporting channels shall be established and maintained for receiving information regarding violations of this policy, and other matters of integrity provided in good faith by MPay Personnel and/or external parties.

20.2 Personnel who, in the course of their activities relating to their employment at MPay, encounter actual or suspected violations of this Policy are required to report their concerns using the reporting channels stated in the Whistleblowing Policy.

20.3 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.

20.4 Retaliation in any form against MPay Personnel where the person has, in good faith, reported a violation or possible violation of this Policy is strictly prohibited. Any MPay Personnel found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of this Policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which MPay may pursue.

21. AUDIT AND COMPLIANCE

Regular audits shall be conducted to ensure compliance with this Policy. Such audits may be conducted internally by MPay or by an external party. Audit documentation should include performance improvement action plans.

22. SANCTIONS FOR NON-COMPLIANCE

22.1 Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the top management and Audit Committee in a timely manner in accordance with the level of risk identified.

22.2 MPay regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance with this Policy. For MPay Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.



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22.3 For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that MPay's interests have been harmed by the results on non-compliance by individuals and/or organisations.

23. CONTINUOUS IMPROVEMENT

23.1 In maintaining this Policy, MPay is committed to satisfying the requirements set out in ISO 37001. Any concerns to improve this Policy can be channelled to MD/CEO.

23.2 MPay shall monitor the legal and regulatory regimes where it operates and any changes to MPay's business environment and risks and identify opportunities for this Policy's improvement. A report should be submitted to the top management and Audit and Risk Committee on a regular basis for the appropriate action to be taken.

23.3 Regular assessments of this Policy should be carried out to ensure its scope, policies, procedures and controls match the Bribery and Corruption related risks faced by MPay.

23.4 MPay endeavours to impact the business environment where it operates. This includes extending its integrity programme to non-controlled Business Associates such as suppliers and contractors, seeking to work with companies who have a similar commitment and supporting initiatives in the private and public sectors which are likely to improve the integrity of its operating environment.

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MPAY MPSB MTSB MMSB MRSB MISB MCSB QKSH SESB MMOB

(Any of the above entity shall hereinafter be referred to as "MPay")

APPENDIX

Staff Declaration Form

I, _____, hereby declare that I have read and understood MPay’s Anti-Bribery and Corruption Policy & Procedures (“said Policy and Procedures”) and the responsibilities required of me in relation to the said Policy and Procedures.

I will abide by the requirements and provisions set out in the said Policy and Procedures which shall be read together and forms part of my employment contract with MPay.

I confirm that throughout the course of the calendar year 2019, I have/ the entity (being _____) for which I am an authorised signatory has:

- a) complied with all applicable laws, regulations, and sanctions relating to anti-bribery and anti-corruption including but not limited to the Malaysian Anti-Corruption Commission Act 2009 (“Act”) or any equivalent laws which I am/ it is subject to;
- b) not engaged in any activity, practice, or conduct which would constitute an offence under the Act or equivalent laws;
- c) taken a zero-tolerance approach to bribery and corruption and observed the highest ethical standards in my activities/ its own business activities and agree that neither I/ it nor any associated person have/ has offered, promised or accepted any payment or gift to or from any person (directly or indirectly) for the purpose of influencing a decision; and
- d) maintained and complied with relevant policies and procedures designed to promote and achieve compliance with applicable anti-corruption laws.

I understand that if I am party to any breach of the said Policy and Procedures during the term of my employment, then it could be regarded as major misconduct which may result in disciplinary action, up to and including dismissal against me.

.....
Name :
NRIC :
Designation :