



## ANTI-BRIBERY AND ANTI-CORRUPTION GUIDELINES (“GUIDELINES”) FOR MTD CAPITAL BHD

### 1.0 READ AND DECLARE

- 1.1 All MTD Group employees, business associates and all parties that are engaging with MTD Group must read, understand, observe and declare their acceptance and compliance with the Anti-Bribery & Anti-Corruption Policy (“Policy”) and these Guidelines.
- 1.2 These Guidelines shall be read together with the Policy. All capitalised terms under these Guidelines shall have the same meaning as in the Policy, unless otherwise stated.

### 2.0 GUIDING PRINCIPLES ON BUSINESS GIFTS

MTD Group allows appropriate business-related hospitalities such as gifts, entertainment, travel, donation and sponsorship (“**Gratuity**”) (which are acceptable) **PROVIDED** the followings principles are observed: -

- i) Transparency - Comfortable to disclose to colleagues and/or superior the Gratuity offered or received.
- ii) Recipients - To only offer or accept the Gratuity to or from the Third Parties who will not put you in a position of conflict.
- iii) Ability to Influence - The Gratuity must not be offered or accepted when there is a pending business decision.
- iv) Value - The Gratuity must be modest and must not be so frequent so as to place the recipient under an obligation.
- v) Purpose - The intention behind the Gratuity, if applicable, must be disclosed and must not be able to be interpreted as to gain or give unmerited advantage.

### 3.0 ASSESSING RISK COMPLIANCE BASED ON THE GUIDING PRINCIPLES

	ACCEPTABLE LIMIT	TOLERABLE LIMIT	CAUTIOUS	PROHIBITED
TRANSPARENCY	Full disclosure	No risk of embarrassment upon disclosure	Concern arise due to perception by the public (media)	Non-compliance with disclosure requirement or limits imposed
RECIPIENTS	Recipient is an organisation	Recipient's organisation permits exchange of courtesies	The Gratuity involves associated recipient (i.e. spouse, family members)	Individual recipient has the authority to affect business outcome



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<b>ABILITY TO INFLUENCE</b>	No pending business before the recipient	-	-	There is a pending business decision before the recipient
<b>VALUE</b>	Modest, low value	Moderate value and occasional	Exceeds prescribed threshold	Excessive, cash or its equivalent
<b>PURPOSE</b>	Promotional activity	Clear and legitimate	Building relationship/rapport	Given in exchange for something in return

### 4.0 UNCERTAINTIES

- 4.1 In case of any uncertainties in accepting or offering the Gratuity, the employees must refer the matter to their Heads of Department/Division (“HOD”), or in the absence of the HOD, it must be referred to the Chief Executive Officer (“CEO”)/Chief Operating Officer (“COO”) for decision.
- 4.2 In the event that the HOD chooses not to decide, the matter shall be referred to the CEO/COO for decision.

### 5.0 PROCUREMENT PROCESS

- 5.1 MTD Group adheres to its standards of operations and/or internal controls in selecting the Third Parties for the Group. Their selections should never be based on receipt of the Gratuity but shall be formal through a structured invitation or procedures (often called a “tender”). All documentation pertaining to their offers, quotations, discounts and/or other supporting documents for the tender shall be kept properly at all times.
- 5.2 The tender process shall be conducted in accordance with the tender requirements. No bidders shall be given an unfair advantage over the others by way of separate, prior close-door negotiations for the tender. All sealed bids should be open for scrutiny and chosen on the basis of price, capability, quality and any other relevant factors.

### 6.0 THIRD PARTIES

- 6.1 MTD Group is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities. The Group Contract & Procurement Division (“GCPD”) should avoid dealing with any Third Parties known or reasonably suspected of bribery or corrupt practices.



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- 6.2 GCPD must ensure that all procurement activities are in line with its policies and procedures, which include:
- a. Due diligence on prospective Third Parties are undertaken to confirm whether or not they have anti-bribery programmes in place and that they have not and will not engage in any improper practices, before they are registered with MTD Group. The scope and extent of the due diligence required will vary depending upon the circumstances of each proposed transaction.
  - b. The Third Parties are made aware of the Policy and these Guidelines and that they will comply accordingly.
  - c. All commercial contracts and invitations to bid or tender shall incorporate the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices to be complied and adhered by the Third Parties.
  - d. All commercial contracts with major Third Parties shall incorporate a provision where MTD Group retains the right to audit the Third Parties' compliance with the Policy and these Guidelines.

### **7. RECRUITMENT OF EMPLOYEES**

- 7.1 MTD Group provides equal opportunity for any qualified and competent individual to be employed by the Group from various multicultural and multiracial background, sourced internally within the Group and externally, local and international. The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed so that no element of corruption is involved in the hiring of employees.
- 7.2 Where necessary, a background check may be conducted prior to hiring employees for management positions, as they would be tasked with decision making obligations to ensure that the potential employee has not been convicted in any bribery or corruption cases.

### **8. RECORD-KEEPING**

- 8.1 The directors and employees understand the importance of proper and complete records of all payments made to the Third Parties to be properly maintained as these would serve as evidence that such payments were bona fide, and not linked to bribery or corrupt practices.
- 8.2 All accounts, invoices, documents and records relating to dealings with the Third Parties shall be prepared and maintained with accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments. All such proof of payments will be kept by the Group Finance and Treasury Department.



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- 8.3 All directors and employees must declare all hospitality or gifts accepted or offered, and submit the details to the person in-charge who is assigned by the respective superior/Division/Department for recording into a register maintained by the Group Finance and Treasury Department which will be subject to periodical internal audit review. The directors and employees must also ensure that all expense claims relating to hospitality, gifts or expenses incurred for the Third Parties are approved by their respective superior/Head of Division/Department and the reason for such expenditure must be disclosed and recorded.

### **9. FURTHER CLARIFICATIONS**

The Policy and these Guidelines may not address every situation that the directors and employees may encounter in their day-to-day working life. Any further clarification required in connection with the Policy and these Guidelines, depending on the subject concerned, shall be directed and referred to any of the Division/Department below:

- a. Group Human Capital Division;
- b. Group Internal Audit Department; or
- c. Group Legal Department.