

**ANTI-BRIBERY AND CORRUPTION
POLICY
FOR
MALAYSIA AVIATION GROUP**

ISSUE 01 REVISION 02

1.0 INTRODUCTION

Malaysia Aviation Group (“MAG”) has adopted zero tolerance policy against all forms of bribery and corruption.

MAG is committed to:

- Prohibits corruption and bribery and shall ensure compliance with relevant anti-bribery and corruption laws primarily the Malaysia Anti-Corruption Commission Act 2009 and its amendments.
- Provides a framework for setting and achieving anti-bribery objectives tailoring to MAG’s vision and mission.
- Commits to meeting the anti-bribery management system requirements and encourages raising concerns in good faith, without fear of retaliation.
- Supports continual improvement of the anti-bribery management system.

The Code of Business Conduct (“COBC”) for MAG sets out the core principles of employees conduct whilst in the employment of MAG. The MAG Anti-Bribery and Corruption Policy elaborates those principles, providing guidance concerning how to deal with improper solicitation, bribery, other corrupt activities and issues that may arise in the course of a business. This Policy does not provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide employees with guidelines on how MAG combats bribery and corruption.

If you have any doubt about the applicable laws or policies concerning the fight against bribery and corruption, you should contact Group Business Integrity immediately.

“ALWAYS ASK WHENEVER IN DOUBT”

Engaging in bribery or corrupt practices and/or any violation of this ABC Policy can have severe consequences for you and for MAG. You shall face dismissal, fines, imprisonment, and the company may face damages to its reputation, financial losses, disbarment from business and other negative consequences.

2.0 APPLICATION & DEFINITIONS

2.1 APPLICATION

This ABC Policy shall be applicable to every Director (executive and non-executive), except otherwise stated in this ABC Policy. Joint venture companies, in which MAG is a non-controlling co-venture and associated companies, are encouraged to adopt similar principles and standards for good prudence. Contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of MAG shall comply with the relevant parts of this Policy when performing works or services.

If there are any laws that conflict with the obligations and requirements set out in this ABC Policy, you shall comply with the stricter rule of law. If a provision in this ABC Policy conflicts with the laws in your jurisdiction, you should consult with the Head of Group Business Integrity. If a local custom conflicts with this ABC Policy, you shall comply with this ABC Policy, ethically. If you have any questions about any of these conflicts, please consult the Head of Group Business Integrity immediately.

2.2 DEFINITIONS

References to “you” or “your” in this ABC Policy refers to any person to whom this ABC Policy applies to. Where more specific references are used (such as “employee(s)”), the more specific reference is intended.

The term “ABC policy” are intentions and direction of MAG, as formally expressed by its top management, or its governing body.

For purposes of this ABC Policy, the term “family/household” includes your spouse(s), daughters, sons, children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, mistress, grandmother, grandfather, grandchildren, in-laws, son-in laws, daughter in laws, uncles, aunts, nieces, nephews, and first cousins, as well as other members of your household.

For purposes of this ABC Policy, the term “employee(s)” means any person who is in the employment of MAG including but not limited to executives, non-executives, secretaries, seconded employee and individuals on permanent term or contractual term.

“MAG” means Malaysia Aviation Group and its subsidiaries and controlled companies. The expression “MAG” is used for convenience where references are made to MAG companies in general. The companies in which MAG has direct or indirect shareholding are distinct legal entities.

“Bribery” refers to offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person’s duties.

“Corruption” is the act of giving or receiving of 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 description.

3.0 GIFTS, ENTERTAINMENT AND CORPORATE HOSPITALITY

3.1 GIFT MANAGEMENT POLICY

MAG has implemented a “Gift Management Policy” whereby, MAG employees and Director(s) (executive and non-executive), family members, agents acting for or on behalf of MAG employees, Directors and their family members shall be guided on receiving or providing gifts under certain strict conditions allowed under this ABC Policy. Employee(s) and third parties shall adhere to the Gift Management Policy on gifts, hospitality, and expenses, which prohibits offering or receiving any form of inducement that could be perceived as an attempt to influence business decisions.

Everyone mentioned above shall abide by the Gift Management Policy to avoid conflict of interest or potential conflict of interest for either party in any on-going or potential business dealing(s). Gifts can be construed as a form of bribe that may tarnish MAG reputation or be in violation of anti-bribery and corruption laws.

As set out in the COBC, a conflict of interest is a situation in which an individual may be in a position to take advantage of his or her role for his or her personal benefit, including the benefit of his or her family/ household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected from employee(s) and Director(s) in the performance of their duties and obligations.

It shall be the responsibility of employee(s) and Director(s) to inform external parties involved in any business dealings to comply with the Gift Management Policy and to request external parties understanding for and adherence with the Gift Management Policy.

3.2 RECEIVING GIFTS

You shall record any gifts received by you or your family member in the course of performing your job or MAG business in the Business Integrity declaration portal. You shall surrender the gift you received to your Head of Department, as and when practicable.

The Head of Department shall decide on one of the following treatments for the gift, whether to:

- a) Accept the gift;
- b) To reject the gift; or
- c) Instruct the employee(s) to return the gift back.

3.3 PROVIDING GIFTS

As part of business operations showcasing Malaysian Hospitality, MAG may allow giving of gifts subject to prior approval by your Head of Department and in accordance with the Corporate Approving Authority Policy (CAAP). All gifts given shall be recorded in the Business Integrity declaration portal prior to being given out or distributed to the recipient(s). The gifts given shall be proportionate, reasonable, not excessive in nature and shall not be in any way a form of or perceived to be a form of a bribe.

3.4 CONDITIONS OF RECEIVING AND PROVIDING GIFTS UNDER GIFT MANAGEMENT POLICY

Below are the strict conditions and permitted situations of receiving and providing gifts:

- a) Exchange of gifts at company-to-company level (e.g. gifts exchanged between companies as part of an official visit/ courtesy call and thereafter said gift shall be treated as company's property);
- b) Gifts from MAG to external institutions or individuals in relation to MAG's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
- c) Gifts from MAG to employee(s) and Director(s) in relation to an internal or externally recognised MAG's function, event and celebration (e.g. in recognition of an employee's/ Director's service to MAG;
- d) Advertising or promotional material of nominal value, such as diaries, pens, pencils, note pads, key chains, calendars and similar items that feature the logo of the gift giver that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences,

exhibitions, training, trade shows etc. and deemed as part of the company's brand building or promotional activities;

- e) Gifts to external parties who have no business dealings with MAG (e.g. monetary gifts or gifts in-kind to charitable organisation(s)).
- f) Discounts or rebates on merchandise or services that are available to other customers under similar circumstances or as part of a discount programme that the company approves and is/are offered to all MAG employees, instead of specific employee(s) e.g. special interest rates for new vehicle(s) bought by employees, personal loan rates, special purchase price on products;
- g) Gifts awarded as part of a random drawing, where there is no inference that accepting the gift could influence your company duties e.g. Lucky draws, etc.; and/or
- h) Gifts that fall under 3Fs which are flowers, food, and fruits that is reasonable and proportionate in value based on the circumstances and context when receiving or providing such gifts.

Even in exceptional circumstances, employee(s) and Director(s) are required to exercise proper judgement in handling gift activities and behave in a manner consistent with the general principles set out in the COBC below:

- a) Consistently maintain the highest degree of integrity,
- b) Always exercise proper care and judgment,
- c) Avoid conflicts of interest,
- d) Refrain from taking advantage of your position or exercising authority to further your own personal interest at the expense of MAG, and
- e) Comply with applicable laws, regulations and MAG policies and procedures.

3.5 ENTERTAINMENT AND CORPORATE HOSPITALITY

MAG may allow conducting and participating in entertainment, hospitality activities and events subject to strict adherence to the following policies.

You may conduct or participate in normal business hospitality or entertainment such as lunches, dinners, and other hospitality events provided that the purpose of such hospitality is for bona fide MAG business. You shall not put yourself in a situation where a Conflict of Interest may arise.

3.5.1 Providing Entertainment or Corporate Hospitality

All entertainment and hospitality activities conducted shall be recorded in the Business Integrity declaration portal. You may also need to do some promotional activities with agent(s) or other third parties as part of MAG business activities. For these promotional activities, you shall obtain prior written approval from your Head of Department and in accordance with the Corporate Approving Authority Policy. Further, all related documentation pertaining to such activities shall be included in the submission in the Business Integrity declaration portal.

3.5.2 Receiving Entertainment or Corporate Hospitality

You may be allowed to participate in entertainment and hospitality events conducted or hosted by third parties where you participate on behalf of MAG or where you are invited in the capacity of your job position in MAG. You shall obtain prior written approval from your Head of Department prior to accepting the invitation and record your participation in the hospitality event in the Business Integrity declaration portal. You are responsible for maintaining the image and reputation of MAG or yourself while attending the event(s).

However, this shall be subjected to the discretion of the Head of Department and where applicable a stricter rule may apply.

4.0 DEALING WITH PUBLIC OFFICIALS

4.1 DEALING WITH PUBLIC OFFICIALS

The offering of gifts and hospitality, including travel-related expenses for government officials, is subject to the Code of Business Conduct and local laws of the country in which the government official is a resident of. If you are in doubt or have difficulty dealing with government officials, you are required to escalate the matter to the Government Relations team or GMD. Government officials shall include, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises other than MAG.

You may be allowed to offer the 3Fs which are flowers, food, and fruits that are reasonable and proportionate in value based on the circumstances and context when offering such gifts.

Any 3Fs gifts and/or hospitality offered to government officials must obtain prior written approval from the Head of Department in accordance with the Corporate Approving Authority Policy. You are required to retain proper documentation and submit it in the Business Integrity declaration portal.

4.2 MAG EMPLOYEES AS PUBLIC OFFICIALS

Under the anti-bribery and corruption laws in some jurisdictions, MAG employees may be deemed as public officials because MAG is a government linked entity.

To prevent violations of law and underscore our commitment to ethical behavior worldwide, you shall always abide by MAG policies and provisions in relation to gifts (including the “Gift Management Policy”), entertainment and corporate hospitality, copies of which are available from Group Business Integrity.

5.0 CORPORATE SOCIAL RESPONSIBILITY (CSR), SPONSORSHIPS AND DONATIONS

As a responsible corporate citizen, MAG is committed to contributing to the well-being of the people and nation in the countries where it operates. It is however important that all Corporate Social Responsibility (CSR), sponsorships and donations are made in accordance with MAG policies and receive prior authorisation by GEXCO or the Board.

5.1 CORPORATE SOCIAL RESPONSIBILITY (CSR)

MAG from time to time contributes to social investment activities in countries where we have operations.

As part of MAG commitment to CSR and sustainable development, MAG provides assistance in appropriate circumstances and in an appropriate manner. However, such requests shall be carefully examined for legitimacy and not made to improperly influence a business outcome.

The proposed recipient shall be a legitimate organisation and appropriate due diligence shall be conducted by the Business Unit to ascertain whether any Public Officials are affiliated with the organisation.

Any red flag(s) shall be resolved before committing any funds to the programme. Even requests determined to be legitimate shall be carefully structured to ensure that the benefits reach their intended recipient(s). If you are in any doubt that the contribution or social benefit is inappropriate, you are required to consult your Head of Department or Group Business Integrity for assistance.

5.2 SPONSORSHIPS AND DONATIONS

Under the COBC, employees shall ensure that all sponsorships and donations are not used as a scheme for bribery or used to circumvent or avoid any of the provisions of the COBC, including the prohibition on bribery.

Certainty is crucial that donations to foreign-based charities or beneficiaries are not disguised as illegal payments to Public Officials, the charity does not act as a medium to fund illegal activities in violation of international anti-money laundering, anti-terrorism and/or other applicable laws.

In accordance with the commitment to contribute to the community coupled with integrity and transparency, all sponsorships and donations shall comply with the following:

- a) Ensure such contributions are allowed by applicable laws;
- b) Obtain all the necessary internal and external approvals and as per CAAP;
- c) Be made to well-established entities having an adequate organisational structure to guarantee proper administration of the funds;
- d) Be accurately stated in the MAG's accounting books and records; and
- e) Not to be used as a means to cover up and undue payment or bribery.

Examples of red flags to look out for are as follows, but not limited to:

- a) The proposed recipient/ organisation has affiliation(s) with a Public Official or their relatives;
- b) The contribution is made on behalf of a Public Official;
- c) There is a risk of a perceived improper advantage for MAG; and/or
- d) The proposed recipient is based in a high-risk country, the request comes from a high-risk country, or the activity takes place in a high-risk country.

Employees are required to conduct thorough due diligence, use good judgment and common sense in assessing the requests. When in doubt, employees shall seek further advice from the Head of Department or Group Corporate Communication or escalate the matter to Group Business Integrity to determine the authenticity of such requests.

5.3 CONDUCTING DUE DILIGENCE

Before making a commitment to a CSR activity, sponsorship or donation requested by external stakeholders, you shall conduct proper due diligence to ensure that the requests are legitimate and that any red flags are resolved prior to committing the funds.

The request is evaluated against the COBC and shall meet the following criteria:

- a) The request does not fall under the list of activities which MAG does not support or contribute to (refer to Group Branding, Group Partnerships and Group Corporate Communications);
- b) There is no risk of a perceived improper advantage for MAG; and
- c) The proposed recipient or organisation does not have affiliations with a Public Official.

If the request meets the above requirements and it is ascertained to be legitimate in nature, you can proceed to prepare a Management Paper seeking approval as per CAAP.

If the request comes from a high risk country, or the proposed beneficiary is based in a high risk country, or the proposed recipient is a Government owned or if a Public Official or their relative is involved and it is reasonably expected that any MAG entity may have business that could be influenced by that Public Official or the Public Official's agency, thorough due diligence and risk assessment shall be conducted before proceeding for any approval process as per CAAP. If necessary, Group Business Integrity shall be consulted to ensure compliance with anti-bribery and corruption laws.

6.0 POLITICAL CONTRIBUTIONS

6.1 POLITICAL CONTRIBUTIONS

MAG shall not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.

MAG may, in very limited circumstances, make contributions in countries where such contributions are permitted under the law. The authority to approve such political contributions is with the GMD or the respective Board of Directors to ensure they do not create a conflict of interest.

If any contribution is made, it shall be permissible under applicable laws and shall not be made with any promise or expectation of any favorable treatment in return and shall be accurately recorded. Political and charitable donations shall be made transparently and in accordance with applicable laws and regulations.

Good faith payments to a government entity such as payments to host country's federal treasury required by contract or law, are not prohibited, as long as they are made with due care to the government entity and not to any individual official.

MAG encourages employees to participate in political election processes by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Company for a personal political contribution.

As set out in COBC, employees are prohibited from acting on the below without first obtaining approval from their respective Head of Department or Head of Business Integrity:

- a) Using their position with MAG to try to influence any other person (whether or not employed by MAG) to make political contributions or to support politicians or their parties in any country;
- b) Make any contribution or incur any expenditure using MAG resources to benefit any political campaign, party or politician in any country;
- c) The use of MAG facilities, equipment and resources for any political campaign or party function; and/or
- d) Charitable donations shall not be used as a subterfuge for prohibited political payments.

7.0 FACILITATION PAYMENT

7.1 MAKING FACILITATION PAYMENT

You are not permitted to make payments to induce Public Officials to perform routine functions that they are obliged to perform since these can be construed as bribes. If you are approached for an unofficial facilitation payment, you shall not agree to the request and escalate the matter to Group Business Integrity without undue delay.

Where failure to make such payments is likely to disrupt normal operations or prevent them from running smoothly, you shall seek advice from your Head of Department or Group Business Integrity.

7.2 EXCEPTION TO MAKING FACILITATION PAYMENT

However, in order to protect life, limb or liberty, facilitation payments may be allowed under very strict circumstances. In situations such as this, approval needs to be obtained from GMD and the Head of Group Business Integrity, and it shall strictly be based on a case-to-case basis depending on the gravity of the situation faced.

8.0 MONEY LAUNDERING

8.1 MONEY LAUNDERING

Money laundering is the process of concealing or disguising illegally obtained funds and passing it through legitimate sources of income or assets by various means from one place (or person) to another. You are prohibited from being involved in money laundering activities, either directly or indirectly. If you are suspicious of any transaction or have any concerns, you shall report any suspicion or concern to the Group Chief Financial Officer or Head of Business Integrity.

9.0 DEALING WITH THIRD PARTIES

9.1 DEALING WITH THIRD PARTIES

MAG deals with contractors, suppliers, agents, consultants, joint venture partners, introducers/ government intermediaries, etc. These dealings shall be carried out in compliance with relevant laws and consistent with the rules in COBC.

It is mandatory that all third parties comply with the values and ethical standards as their actions can implicate and tarnish the reputation of MAG. When MAG engages third parties, such as contractors, agents, intermediaries or joint venture partners, you shall conduct appropriate due diligence to assess third parties' compliance with anti-bribery laws and standards to understand the business and background of the prospective counterparties before entering any arrangements with them. You shall ensure that MAG is dealing with third parties that subscribe to acceptable standards of integrity in the conduct of their business.

You are required to do the following before entering any dealings with third parties:

- a) Conduct due diligence to assess the integrity of the prospective third parties. Do not enter any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
- b) Ensure all third parties are made aware of the MAG Code of Business Conduct and MAG ABC Policy and MAG expectations of them.
- c) Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance.

If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or "red flags" raised, these warrants further investigation and shall be addressed before the engagement of the third party can progress. Examples of common "red flags" involving third parties shall include, but not limited to:

- a) The transaction involves a country known for a high incidence of corrupt payments;
- b) Family, business or other "special" ties with government or Public Official(s);
- c) A reference check reveals a flawed background or a reputation for getting "things done" regardless of the circumstances or suggests that for a certain amount of money, he can fix the problem;

- d) Objection to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements;
- e) Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees;
- f) The third party requires that his/ her identity not be disclosed as part of the business transaction; and/or
- g) Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.

You are required to conduct thorough due diligence based on the above guidelines, use good judgment and common sense in assessing the integrity and ethical business practices of third parties before initiating any business dealings with the third party.

Employees shall seek advice from the Head of Department or Group Business Integrity whenever particular questions arise relating to third parties that MAG has appointed or is considering appointing.

9.2 DEALING WITH CONTRACTORS AND SUPPLIERS

Group Procurement shall avoid dealing with any contractors or suppliers known or reasonably suspected of corrupt practices or known or reasonably suspected of paying bribes.

Group Procurement shall ensure that all procurement activities are in line with the procurement policies and procedures, which include but are not limited to:

- a) Perform a risk assessment using a risk-based approach;
- b) Undertake due diligence on the third party depending on the level established by the risk analysis;
- c) Conducting due diligence on contractors and suppliers before they are registered or procured by MAG;
- d) Conducting due diligence on prospective contractors and suppliers to confirm if these external parties have in place anti-bribery programs and that they do not engage in any improper practices;
- e) Conducting screenings on the third party's company, its directors and top management;
- f) Preparing and maintaining appropriate written documentation of the due diligence and risk assessment performed on the third party;
- g) Ensure the contractors and suppliers are made aware of and understand the COBC and the Supplier's Code of Conduct and that they shall comply accordingly;

- h) Incorporate in all commercial contracts and invitations to bid with the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices; and
- i) Incorporate in all commercial contracts with major contractors and suppliers a provision where MAG shall retain the right to audit the third-party compliance with COBC and ABC Policy provisions.

The scope and extent of the due diligence required shall vary depending upon the circumstances of each proposed transaction.

Group Procurement shall also be responsible for monitoring significant contractors and suppliers as part of their regular view of the performance of the third party. MAG has the right to terminate their services in the event that these third parties pay bribes or act in a manner which is inconsistent with the COBC and ABC Policy.

If any red flags are raised by Group Procurement or Group Business Integrity to the appointed third party pertaining to non-compliance of COBC or ABC Policy, these issues shall be resolved by the third party within the stipulated time. If it is not possible, then the company shall be barred from being on the list of registered or licensed contractors/ suppliers and/ or disqualified from participating in any MAG tender exercise. For further guidance on conducting due diligence for contractors and suppliers, employees shall consult Group Procurement or Group Business Integrity.

9.3 MERGERS, ACQUISITIONS AND INVESTMENTS

Corporate Strategy shall conduct thorough due diligence in evaluating mergers, acquisitions, and investments to ensure compliance with anti-bribery and corruption laws.

9.4 GUIDELINES ON DUE DILIGENCE – PRE-ACQUISITION

- a) Anti-bribery due diligence is considered a proportionate basis for all investments but on a risk-based approach, with the level of due diligence being proportionate to the investments and the perceived likelihood of risk of bribery.
- b) The level of anti-bribery due diligence for the transaction shall be commensurate with the bribery risks.
- c) Anti-bribery due diligence starts sufficiently early to allow for adequate due diligence to be carried out and for the findings to influence the outcome of the negotiations or stimulate further review if necessary.
- d) The partners or board provide commitment and oversight to the due diligence reviews.

- e) Information gained during the anti-bribery due diligence is passed on efficiently and effectively to GEXCO once the investment has been made.

9.5 GUIDELINES ON DUE DILIGENCE – POST-ACQUISITION

- a) To conduct due diligence on a proportionate basis immediately after purchase to determine if there is any current bribery and if so, takes immediate remedial action.
- b) To ensure that the target has or adopts an adequate anti-bribery and corruption program equivalent to its own.
- c) Bribery detected through due diligence shall be reported to the authorities.

9.6 WHAT TO LOOK FOR IN ANTI-BRIBERY DUE DILIGENCE

- a) Has bribery taken place historically?
- b) Is it possible or likely that bribery is currently taking place?
- c) If so, how widespread is it likely to be?
- d) What is the commitment of the board and top management of the target to countering bribery?
- e) Does the target have in place an adequate anti-bribery programme to prevent bribery?
- f) What would the likely impact be if bribery, historical or current, were discovered after the transaction had completed?

9.7 JOINT VENTURE PARTNERS

In view of the possibility that MAG may be held responsible for illegal activities of its co-ventures, MAG shall ensure that Joint Ventures (JV) in which MAG has a controlling interest adopt the ABC Policy.

Where MAG neither controls nor operates the Joint Venture (JV) or where MAG holds a minority interest, MAG shall:

- a) Make reasonable efforts to influence the JV Partners to adopt the ABC Policy (or substantially equivalent standards and principles) and to comply with all applicable anti-bribery and corruption laws and to establish controls substantially similar to MAG standards to prevent bribery;
- b) Stay alert to warning signs which may arise in the conduct of the business. Any such warning signs shall be reported to Group Business Integrity and appropriate action to be taken; and
- c) Require (or where this right does not formally exist, request) that the majority partner or JV entity provide written representation of anti-bribery compliance on an annual basis.

9.8 MANAGING GIFTS, ENTERTAINMENT, AND SPONSORSHIPS WITH THIRD PARTIES

MAG adopts Gift Management Policy as stated in section 3.1 of this ABC Policy.

However, further guidelines below are specific in relation to receiving gifts, entertainment and/or requesting sponsorship from third parties.

- a) If the third party is the current supplier or contractor having a services contract with MAG, you are not allowed to receive any gifts or requests for sponsorship from the supplier or contractor.
- b) If the third party is a potential supplier or contractor about to enter a bid or a contract with MAG, you are not allowed to receive any gifts or requests for sponsorship from such potential supplier or contractor.
- c) If the third party is an incumbent supplier or contractor which the contract is expiring (in 6 months or less) and MAG is under consideration whether to renew the contract or otherwise with the incumbent supplier or contractor, you are not allowed to receive any gifts or requests for sponsorship from the incumbent supplier or contractor.
- d) If the third party is offering an invitation to lunch or dinner (entertainment), you are required to seek approval from your Head of Department and Head of Group Business Integrity before accepting the invitation. Any acceptance shall be declared in the Business Integrity declaration portal.

When MAG is planning to enter a bid or contract with a third party, you shall not offer any forms of gifts or sponsorships to the third party. Any form of hospitality or entertainment offered to the third party such as lunch or dinner during office visits shall be reasonable, proportionate and you are required to obtain approval from the Head of Department accordingly.

10.0 RECRUITMENT OF EMPLOYEES

10.1 RECRUITMENT OF EMPLOYEES

MAG, being a diversified business entity, provides equal opportunity for any qualified and competent individual to be employed by MAG from various multicultural and multiracial backgrounds, sourced from both MAG programme and externally, locally and internationally.

The recruitment of employees shall 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 employees.

In line with this, proper background checks shall be conducted to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. Group Human Capital shall conduct more thorough background checks when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.

If you find or suspect that any employee(s) being hired in violation of this ABC Policy and Group Human Capital relevant hiring policy and procedure, whether deliberately or unintentionally, you shall report the same, in writing, to Head of Group Business Integrity without undue delay.

11.0 DECLARATION OF ASSETS

11.1 DECLARATION OF ASSETS

As part of its commitment towards integrity and transparency within MAG, all General Managers (B2) and C Suites are encouraged to declare their assets to GMD on an annual basis.

The list of assets to be declared shall consist of movable and immovable property which includes but is not limited to:

- a) Number of properties within and outside Malaysia;
- b) Shares, stocks and bonds hold within and outside Malaysia;
- c) Fixed assets other than properties within and outside Malaysia; and/or
- d) Liquidated assets within and outside Malaysia.

All declarations submitted shall be treated as strictly private and confidential. Declarations are to be made directly to GMD via email by the employees concerned. In the event the declaration of assets submitted indicates a potential conflict of interest, GMD shall refer to the Chairman of BAC for deliberation and further action.

12.0 BLOWING THE WHISTLE

12.1 MAG WHISTLEBLOWING POLICY

The Board of Directors and GEXCO firmly believe that everyone in MAG and anyone associated with MAG have an important role in contributing and supporting MAG to achieve its corporate vision and mission.

MAG is concerned about the harmful effects of breaches of our business philosophy and principles. MAG Whistleblowing Policy is to provide a mechanism for you to raise genuine concerns responsibly and in good faith to improve MAG's worth and values.

If you make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken. In addition, internal whistleblowers shall be protected against detrimental action for having made the disclosure, to an extent reasonably practicable.

12.2 PROCEDURAL MATTERS

- a) GEXCO is responsible to oversee the overall governance process and anti-bribery & corruption compliance in MAG. Group Business Integrity is authorised by GEXCO to independently manage the governance process and anti-bribery & corruption compliance in MAG. Group Business Integrity is also responsible to report to the Board of Audit Committee on quarterly basis and to the Malaysia Anti-Corruption Commission on bi-annual basis on the anti-bribery & corruption compliance matters which include whistleblowing cases involving bribery and corruption.
- b) **Consequences of a Breach**
Adherence to MAG policies and guidelines is critical to the smooth running of its business or enterprise and is for the common good of MAG and its employees.

Any conduct which is not in accordance with the principles set out in MAG policy and guidelines shall be dealt with according to the Employees' Disciplinary Handbook and/or other applicable local laws.

c) How to Make a Report on Any Breach

Any alleged or suspected improper conduct shall be disclosed using the procedures provided for in the MAG Whistleblowing Policy. Below are the whistleblowing channels to make a report:

Toll Free Number : 1-800-81-7270; OR

Online Portal : www.malaysiaairlines.ethicspoint.com; choose “File a New Report”

Subject to the directions made by the Chairman of BAC and/or GMD, any reported case may be escalated to the Malaysia Anti-Corruption Commission (“MACC”) and relevant authorities of the same competency in the case of other jurisdictions. In the event the case is escalated to the MACC or relevant authorities in other jurisdictions, the identity of the whistleblower or reporter shall remain strictly confidential.

d) Further Clarifications

Should you require further clarification with regards to this MAG Whistleblowing Policy, depending on the subject concerned, you shall consult with Group Business Integrity.

If you require additional information or clarification, please email your queries to Group Business Integrity at business.integrity@malaysiaairlines.com.

e) Registering Any Conflicts of Interests, Gifts and Corporate Hospitality

All conflicts of interests (potential or real) and matters related to giving or receiving gifts/ entertainment/ corporate hospitality shall be registered in the Business Integrity declaration portal and notify the respective Head of Department. Please liaise with Group Business Integrity for further information on the procedures for registration.