

ANTI-CORRUPTION AND BRIBERY POLICY
(Pursuant to Paragraph 15.29(2)(a) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. BACKGROUND

The Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”) was amended in 2018 to introduce corporate liability for corruption offences pursuant to Section 17A of the MACC Act 2009 which comes into effect on 1 June 2020.

Section 17A provides that a commercial organisation commits an offence if a Person Associated with the commercial organisation corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent –

- a. To obtain or retain business for the commercial organisation; or
- b. To obtain or retain an advantage in the conduct of business for the commercial organisation.

The defences available are as follows:

- If it can be proven by the commercial organisation that the offence was committed without his/her consent or connivance and that he/she exercised due diligence to prevent the commission of the offence; and
- That there are adequate procedures to prevent person associated from undertaking such conduct.

Adequate Procedures (based on guidelines issued by the Minister in the Prime Minister’s Department, Malaysia on 4 December 2018) contain the following 5 principles:

- Top Level Commitment
- Risk Assessment
- Undertake Control Measures
- Systematic Review, Monitoring and Enforcement; and
- Training and Communication

WMG Holdings Bhd (WMG) has revisited the measures and procedures being implemented by WMG and its subsidiaries (the Subsidiaries) (both WMG and the Subsidiaries shall hereinafter referred to as “the Group”) to prevent the occurrence of corrupt practices in relation to the business activities of the Company and its subsidiaries.

The Group has adopted a zero tolerance policy against all forms of corruption and bribery. The Policy on Anti-Corruption has been formulated after taking into account the above 5 principles and the governance system and processes of the Group are in place.

2. OBJECTIVE

This Anti-Corruption and Bribery Policy (this Policy) sets out the WMG Group's position on corruption and bribery in all its forms and matters of corruption that might confront WMG Group in its day to day operations.

This Policy is to prevent the occurrence of corruption and bribery practice in relation to the businesses of the Group. The Group conducts its business in a legal and ethical manner. The Group will ensure its businesses or any transactions do not participate in corruption activity for its advantages or benefits.

3. SCOPE

This Policy applies to all Directors, Employees of the Group (either permanent, contract or temporary) and Business Associate.

4. DEFINITIONS

The following definitions apply throughout this Policy.

Bribery	<p>Bribery is defined as any action which would be considered as an offence of giving or receiving 'gratification' under MACCA.</p> <p>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 a position of trust within an organisation.</p> <p>'Gratification' is defined in the MACCA to mean the following:</p> <ul style="list-style-type: none">(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). <p>Bribery may be 'outbound', where someone acting on behalf of the Group attempts to influence the actions of someone external, such as a Government official or client decision-maker.</p>
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	<p>It may also be ‘inbound’, where an external party is attempting to influence someone within the Group such as a decision-maker or someone with access to confidential information.</p> <p>Bribery and corruption are closely related. However, corruption has a wider remit. See ‘Corruption’ definition below.</p>
Business Associate	<p>Shall include without limitation to external party with whom the Group has, or plans to establish, some form of business relationship. This primarily include clients, customers, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, professional advisers, agents, distributors, representatives, other parties supplying goods and services to the Group and intermediaries.</p>
Corruption	<p>The Transparency International definition of corruption is ‘the abuse of entrusted power for personal gain’.</p> <p>For the purpose of this Policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA) (‘Bribery’ as defined above).</p> <p>In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.</p>
Conflict of interest	<p>When a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making of the Group.</p>
Donations and Sponsorship	<p>Charitable contributions and sponsorship payment made to support the community.</p>
Directors	<p>Directors include all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors.</p>
Exposed Position	<p>A staff position identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited to 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 the Group has identified as vulnerable to bribery.</p>
Facilitation payment	<p>A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.</p>
Corporate Gift	<p>Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the company’s brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the company name and logo and are of nominal value. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates.</p>

Personal Gift	Something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties. Personal gifts may include cash, cash equivalents such as credit cards, bitcoin or savings accounts, electronic items, watches, luxury pens, property, vehicles, free fares, shares, interest free loans, lottery tickets, travel facilities, entertainment, services, club memberships, any forms of discount or commission, jewellery, decorations, souvenirs, vouchers or any other valuable items.
Employees	All individuals directly contracted to the Group on an employment basis, including permanent and temporary employees and Directors.

5. ANTI-CORRUPTION CONSIDERATIONS AND MEASURES

The Directors of the Company are primarily responsible for ensuring that the Group –

1. practises a high level of integrity and ethics;
2. complies with applicable laws and regulatory requirements on anti-corruption;
3. manages the key corruption risks of WMG Group; and
4. enhances the effectiveness of WMG Group's corruption risks management framework, internal control system, review and monitoring, and training and communication.

In this respect, the Directors –

- i. promote a culture of integrity within the Group;
- ii. communicate the Company's commitments on anti-corruption to relevant parties;
- iii. encourage the use of any reporting (whistleblowing) channel in relation to any suspected and/or real corruption, bribery, money laundering incidents;
- iv. assign the internal audit function to review the anti-corruption compliance matters; and
- v. ensure that the results of any audit, reviews of risk assessment, control measures and performance are reported to the Directors of the Company.

The Directors through the internal audit function undertake corruption risk assessment as part of its anti-corruption efforts and a comprehensive risk assessment would be done every three years, with intermittent assessments conducted when necessary.

The Group has in place appropriate controls and the contingency measures which are reasonable and proportionate to the nature and size of the Group in order to address any corruption risks arising from weaknesses in the organisation's governance framework, processes and procedures including –

- conduct due diligence on any relevant parties or personnel (such as Board members, employees, suppliers, consultants and senior public officials) prior to entering into any formalised relationships; and
- establish a reporting channel (whistleblowing channel), for internal and external parties to raise concerns, among others, on the following matters under the authority of the Directors:
 - a. anti-corruption policy;
 - b. conflicts of interest;
 - c. gifts, entertainment, hospitality and travel;
 - d. donations and sponsorship;
 - e. facilitation payments;

- f. financial controls;
- g. non-financial controls;
- h. inadequacies in the anti-corruption monitoring framework; and
- i. record keeping.

6. BUSINESS ASSOCIATES

- 6.1 As part of the Group's commitment to combat bribery, the Group expects all Business Associates to refrain from bribery.
- 6.2 The Group expects all Business Associates to have anti-bribery and corruption policies in place within their organisation which are consistent with this Policy.
- 6.3 The Group expects all Business Associates acting on behalf the Group to contractually agree to refrain from bribery and corruption.
- 6.4 If the Group is not satisfied that bribery and corruption prevention has been upheld, due diligence shall be undertaken with regards to any Business Associate intending to act on the Group's behalf.
- 6.5 The Group has zero tolerance of Business Associate who do not conduct themselves in accordance to the principles in this Policy where it brings disrepute or legal implications to the Group. Any non-compliance with the principles of this Policy by the Business Associate may lead to the review and/or termination of any agreement with such parties.

7. EMPLOYEE RESPONSIBILITIES

- 7.1 As an employee of the Group, you must ensure that you read, understand, and comply with the information contained within this Policy, and with any training or other anti-bribery and corruption information you are given.
- 7.2 This Policy forms part of an employee's contract of employment and the Group may amend it at any time so to improve its effectiveness at combatting bribery and corruption.
- 7.3 All employees of the Group should not give any gratification, gifts, hospitality or entertainment to any person for improper purposes related with the Group's business in their personal capacity.
- 7.4 Gifts and entertainment given and received as a reward, inducement or encouragement for preferential treatment or any other advantage, or inappropriate or dishonest conduct are strictly prohibited.
- 7.5 All employees of the Group are not allowed to give or receive any gratification, gifts, hospitality or entertainment where it is for an improper purpose and can be deemed as a gratification, regardless of whether it is to benefit the employee individually or the business of the Group.
- 7.6 If you have reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, you must notify your Superior/Executive Director in charge.
- 7.7 If any employee breaches this Policy, they will face disciplinary action and could face dismissal for gross misconduct. The Group has the right to terminate a contractual relationship with an employee if they breach this Policy.
- 7.8 All employees of the Group are required to complete and undertake all relevant documentations and processes particularly where they relate to anti-bribery and corruption initiatives. Any failure to do so may impact the individual employee's performance review and where it is a severe non-compliance, an employee may be subject to further disciplinary action/s which may warrant the dismissal.

8. REPORTING OF POLICY VIOLATIONS

- 8.1 Where there are reasonable grounds and genuine reasons to suspect that there is a violation of this Policy, the employees of the Group and/or the Business Associate are required to report the particulars of such suspicions to the Group via dedicate channel for reporting.
- 8.2 Each Employee and/or Business Associate has a responsibility to ensure that suspected-bribery and corruption incidents are reported promptly.
- 8.3 The Group practices an open door policy and encourages all Employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner.
- 8.4 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. Report will be treated confidentially.
- 8.5 Report, duly supported and addressed to the respective departmental head/person-in-charge concerned, should be sent/emailed to:

Wisma WMG, Lot 1 & 2, Jalan Indah Jaya
Taman Indah Jaya, Jalan Lintas Selatan
90000 Sandakan, Sabah, Malaysia

Email: info@wmghb.com.my

9. CONTINUOUS IMPROVEMENT

The Group is committed to continually improving its policies and procedures relating to anti-bribery and anti-corruption.

10. SANCTIONS FOR NON-COMPLIANCE

The Group regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, including termination of employment. Further legal action may also be taken in the event that the Group's interests have been harmed as a result of non-compliance.

The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.

11. REVIEW OF THE POLICY

The Group will monitor compliance with the Policy and review the Policy from time to time and at least once every three years to assess their effectiveness and ensure that it continues to remain relevant, appropriate and effective in the enforcement of the principles herein and to ensure continued compliance with the prevailing law. The Group reserves the total rights to all amendments, deletions or augment any terms and conditions or any part of this policy when necessary including the use of an additional form, should there be a need to develop one.

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