



MMC CORPORATION BERHAD (30245-H)

ports & logistics



energy & utilities



engineering & construction

CORPORATE DISCLOSURE

Policies and Procedures

26 February 2014



TABLE OF CONTENTS

Section	Contents	Page
A.	Definitions	1
B.	Introduction	1
C.	Objectives	2
D.	Scope of this Policy	2
E.	Application and Related Rules	3
F.	Material Information	3
G.	Corporate Disclosure Committee	3
H.	Company's Authorized Spokespersons	5
I.	Confidentiality Obligations	5
J.	Leakages of Material Information	6
K.	Insider Trading	7
L.	Disclosure Obligations	8
M.	Disclosure Responsibility	8
N.	Materiality Threshold	9
O.	Dealing With Regulators	9
P.	Dealing With Investment Community	9
Q.	Dealing With the Media	10
R.	Market Rumours	10
S.	Unusual Market Activity	11
T.	Keeping Board of Directors Informed	11
U.	Retention of Disclosure Documents	11
V.	Electronic Communication	11
W.	Policy Communication and Non-Compliance	13
X.	Contact Persons	13
Schedule A	Examples of Potentially Material Information	14

Note

This document has been published for the internal use of MMC Corporation Berhad and the Companies within the Group and shall not be reproduced in any form, or be transmitted electronically or through other means or quoted or referred to in any public document or media without the prior written consent of the Company.

The Company reserves the right to review, amend or update this Policy from time to time.

For any enquiries, please contact the Group Corporate Secretarial Department.

A. Definitions

"Authorized Spokesperson" means those individuals identified in Section H of this Policy;

"Bursa Malaysia" means Bursa Malaysia Securities Berhad;

"CDPP" means this Corporate Disclosure Policies and Procedures and shall include any variations, amendments and supplemental hereto;

"Corporate Disclosure Committee or CDC" means a committee set up to oversee the Company's corporate disclosure obligations which is more particularly described in Section G of this CDPP;

"Listing Requirements" means the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

"MMC Board" means the Board of Directors of MMC Corporation Berhad;

"MMC or Company" means MMC Corporation Berhad and its Group of Companies;

"Unusual Market Activity" means unusual price movement, trading activity, or both;

"Website" means the official website of MMC;

"Material Information" means any information which is reasonably expected to have a material effect on the price, value or market activity of the Company or on the decision of a securities holder or investor in determining his choice of action;

"SC" means the Securities Commission of Malaysia.

B. Introduction

The Company believes that the principles of corporate accountability and transparency are the cornerstone of its successful growth. Towards this end, the Company ensures that any announcement of material information and corporate disclosure made or to be released to the public goes through a set of internal compliance guidelines and procedures so that they are clear, accurate, informative and in a timely manner.

C. Objectives

This Policy sets out the Company's Disclosure Policies and Procedures ("CDPP"), based on the Best Practices in Corporate Disclosure 2004 and Corporate Disclosure Guide 2012 issued by Bursa Malaysia. Besides ensuring the timely dissemination of material information to our shareholders and investors, the CDPP aims to protect and maintain secrecy and confidentiality obligations of the Company.

The objectives of this Policy are as follows:

- to promote and instill shareholders' and investors' confidence by disclosing material information in a timely, consistent and appropriate manner;
- to protect and prevent the improper use or disclosure of Material Information and Company's confidential information;
- to encourage communication network between the Company and the public leading to transparency and good governance;
- to leverage on the Company's information system technology for purposes of connecting and disseminating information to various target groups;
- to widely disseminate Material Information pursuant to all applicable legal requirements.

D. Scope of this Policy

This CDPP shall apply to MMC Board, its Management and employees of MMC, irrespective of their seniority or designation.

Even though the day-to-day business of the Company is handled by Management, the MMC Board, collectively and individually responsible for the establishment and adoption of a written set of policies and procedures for the Company with regards to the handling and disclosing of material information.

E. Application and Related Rules

This CDPP shall apply to all means or types of communication used by the Company to communicate with its shareholders, investors, stakeholders, regulators, journalist, analysts, fund managers and the general public, which shall include but not limited to:

- written statements i.e. Annual Reports, announcements, press releases, presentation materials for investors, e-mails, the Company's website, etc.
- oral statements i.e. Chairman's speech at General Meetings, telephone conversations, analyst briefings, interviews, press conferences, roadshows or events, etc.

The CDPP takes into consideration the various laws, rules and regulations governing such obligation particularly:

- relevant laws i.e. Companies Act 1965, Securities Commission Act 1993, Banking and Financial Institutions Act 1989, Listing Requirements, Capital Market and Services Act 2007 and SC's Policies and Guidelines on Offer/Issue of Securities, etc.
- internal regulations i.e. Employees Handbook, Code of Ethics, Corporate Governance practices, etc.

F. Material Information

Material Information is defined as any information which is reasonably expected to have a material effect on the price, value or market activity of the Company or on the decision of a securities holder or investor in determining his choice of action. The Company must disclose all material information necessary for informed investing and take reasonable steps to ensure that all who invest in its securities enjoy equal access to such information.

G. Corporate Disclosure Committee

The Company recognizes the importance of disseminating factual and accurate information to preserve its integrity and social responsibility. Towards this end, the Company has established a Corporate Disclosure Committee ("CDC"), who is responsible for overseeing the implementation and adherence of the disclosure controls, procedures and practices adopted by the Company.

MMC CORPORATION BERHAD
CORPORATE DISCLOSURE POLICIES AND PROCEDURES

The members of the CDC are:

- Group Managing Director ("GMD");
- Group Chief Financial Officer ("GCFO");
- Director, Group Treasury ("DGT");
- Group Company Secretary ("GCS");
- Head, Group Corporate Planning ("HGCP"); and
- Group Legal Advisor ("GLA")

or their designates or alternates, from time to time.

The Group Company Secretary shall be appointed as the Corporate Disclosure Manager ("CDM") who shall be the primary contact person for the CDC and shall be responsible for the engagement of other CDC members, as and when necessary to consider the matter at hand.

In the event of his/her absence, any other appointed alternate may be contacted on matters pertaining to the CDPP.

The CDC is responsible for determining whether information is Material Information, the timely disclosure of Material Information in accordance with securities laws, monitoring compliance with the Policy and overseeing the disclosure controls, procedures and practices of the Company.

The CDM will keep a record of all decisions of the CDC and will provide a copy of such record to any member of the CDC upon request.

The CDC will regularly review the procedures in the CDPP, level of adherence to the CDPP by employees, best practices and potential improvements, and evaluate the adequacy and effectiveness of the design and operation of disclosure controls. The CDM will assist the CDC in reviewing the CDPP from time to time and shall report to the CDC, and where necessary, the MMC Board or its Executive Committee on the results of this evaluation.

The CDC is also responsible in creating awareness amongst the Board, Management and employees on the CDPP.

H. Company's Authorized Spokesperson

The Company's primary spokesperson to the investment community and the public at large and for media-related inquiries would normally be either the Chairman, the GMD and/or GCFO ("Authorized Spokesperson").

The Authorized Spokesperson may refer media-related inquiries to an external consultant or other persons within the Company who are considered experts on the subject matter.

Employees who are not authorized to be the Company's spokesperson will not respond on behalf of the Company to any inquiries from, or initiate communication with, the financial community, shareholders or media.

All such communication must be referred to the Head, Group Strategy & Corporate Affairs ("HGSCA"). In particular, employees should refer inquiries from analysts, fund managers and institutional investors about significant investor relation's issues to the HGSCA.

It is essential that all employees keep the CDM sufficiently apprised of potentially material Company developments so that the CDM may, where necessary, bring the same to the CDC, to discuss and evaluate any events that might impact the disclosure process, including; material operational and regulatory developments, merger or acquisition activities, extraordinary transactions, and senior executive changes.

Schedule A provides some of the examples of potentially Material Information.

I. Confidentiality Obligations

Employees who are the recipient of any confidential information is subject to strict confidentiality restrictions and care must be taken to ensure that it is provided only to authorized employees or third parties who have been given access to such information for the Company's purposes and only on the basis that the said recipients maintain the confidentiality of such information.

Access to confidential information should also be restricted to authorized persons who shall be made aware of their confidential obligations and who have signed a confidentiality agreement where required by the Company.

MMC CORPORATION BERHAD
CORPORATE DISCLOSURE POLICIES AND PROCEDURES

The following areas are not to be disclosed by an employee without the prior written approval from the Company unless it can be proved that such information is within the public domain:

- (i) Audit and any report on the Company's businesses;
 - (ii) Information provided to authorities in relation to the Company;
 - (iii) Company's proprietary information regarding earnings, corporate financial matters, business plans, marketing strategy, investment strategy, technical data on projects, processes, methods and technology and business opportunities;
 - (iv) The Company's computer-based data codes or passwords and source codes; and
 - (v) Any other confidential information or documents, which in the opinion of the Company, should be treated as confidential.
- It is imperative for an employee to be aware of the Company's policy on confidentiality.
 - Confidential information does not only relate to information regarding the Company but also information relating to the Company's customers/partners, which the employee has obtained during the course of his employment.
 - An employee should always secure all records of his dealings/transactions.
 - An employee must always consult his/her immediate superior or the Company's Group Legal Department if in doubt on the handling of confidential information.

J. Leakages of Material Information

In the event it is found that material information is leaked and after due enquiry it is found that confidentiality is not maintained, the Company will take appropriate action to make an immediate announcement of the material information to Bursa Securities.

K. Insider Trading

Pursuant to the Capital Markets and Services Act 2007 (“CMSA”), a person is an “insider” if that person:

- (i) possesses information that is not generally available, which on becoming generally available, a reasonable person would expect it to have a material effect on the price or value of the securities; and
- (ii) knows or ought reasonably to know that the information is not generally available.

The restriction of insider trading is governed by Section 188 of the CMSA and Paragraph 9.14 and 9.15 of the Listing Requirements. An insider must not:

- (i) acquire or dispose of the securities of the Company, or enter into an arrangement for or with a view to the acquisition or disposal of the securities of the Company, on the basis of the material information which is not known to the investing public;
- (ii) procure, directly or indirectly, an acquisition or disposal of, or the entering into an agreement for or with a view to the acquisition or disposal of the securities of the Company, on the basis of the material information which is not known to the investing public; or
- (iii) inform or tip any other person of undisclosed material information unless the sharing of that information is in the necessary course of business.

Employees or Directors who possess undisclosed material information are prohibited from dealing directly or indirectly in the Company’s securities unless the information has been publicly disclosed at least one (1) full market day from the date of the announcement of material information.

L. Disclosure Obligations

If the Company wishes to make an announcement or to release Material Information pursuant to its disclosure obligations under the Listing Requirements, the CDC will consider if such information is material and therefore must be disclosed and how such Material Information is to be disclosed in accordance with applicable securities laws. The CDC will approve the content of any drafts or documents disclosing such information. (Schedule A provides some of the examples of potentially Material Information).

M. Disclosure Responsibility

The CDC with assistance from the Group Corporate Secretarial Department ("GCSD") shall take the lead role in preparing most disclosure documents by working in co-operation with each other and with other departments, which, depending on the subject matter is relevant to the information to be disclosed.

In relation to specific announcements to be released via the Bursa Malaysia's website link:

- a draft announcement shall be prepared by the department in charge of that particular matter which is to be announced ("first draft");
- the first draft shall be forwarded to GCSD for review and comments ("GCSD's draft");
- the GCSD's draft shall be forwarded to CDC for review and comments ("CDC's draft");
- the CDC's draft shall be approved by the GMD for immediate release ("final draft");
- the final draft shall be forwarded to the GCSD for circulation to the Board and for immediate release via Bursa Malaysia's website link;
- Where a third party is authorized to release information on behalf of the Company, the procedures as set out above are similarly applicable.

Invitations to make public speeches and presentations about MMC to industry groups, conferences, large employee and public meetings, etc. should be forwarded to the HGSCA and approved by GMD, as the case may be. In addition, all such public speeches and presentations should be reviewed and recommended by the HGSCA for the GMD's approval.

N. Materiality Threshold

Other than transactions entered into with related party, the Company has determined the threshold for the disclosure of material information for the following transactions:-

- Contracts entered into in the ordinary course of business (non-related party) – RM100 million and above.
- Contracts outside ordinary course of business, material litigation or contingent liability – RM27.5 million.

The threshold for Related Party Transaction and Recurrent Related Party Transaction are governed by Chapter 10 of the Listing Requirements.

O. Dealing with Regulators

If requested by Bursa Malaysia or other securities regulatory authority to make a public statement, including a response to a market rumour, the CDC will consider and determine the content of the disclosure, if any. In making its decision, the CDC may consider the advice, if any, of the securities regulatory authority or other external advisors, as it deems appropriate.

P. Dealing with Investment Community

In communicating with investment analysts, security holders, potential investors and the media, the following practices should be observed:

- (i) all employees are prohibited from commenting on current period earnings estimates and financial assumptions, other than to cite or refer to existing publicly available information;

- (ii) any scheduled meetings or briefings with analysts and fund managers should be represented by the Authorized Spokespersons and statements and responses should be anticipated, scripted and discussed in advance with the CDC with the assistance from such other relevant departments, as the case may be;
- (iii) conversations with analysts should be limited to explanations or clarification of publicly available Material Information or other non-Material Information or non-confidential information;
- (v) the CDC shall review draft analyst reports and top-level financial models, and comment on the underlying assumptions, if necessary. Such comments will, however, be limited to corrections of facts on assumptions made on the basis of incorrect data, which render assumptions unrealistic and may not include Material Information, which has not been disclosed to the public.

Q. Dealing with the Media

Media news conferences on financial matters are normally conducted in separate forums from investors but access to information disclosed should be similar in all material respects. The HGSCA shall attend media conferences to monitor that such confidential obligations of the Company are not breached.

The Company will not provide any Material Information or related documents to a reporter on an exclusive basis.

R. Market Rumours

Generally, the Company should not entertain market rumours unless the said rumours are malicious, are specifically targeted to injure the reputation of the Company as a whole or where the Company is of the view that a corresponding response to such rumours would be beneficial to the Company. The CDC shall have the discretion to consider whether the Company should respond to such market rumours.

Due inquiry should be made beforehand to ascertain the truthfulness of the rumour. In this regard, the CDC may authorize the CDM or such other persons to assist the CDC in determining the correctness of the rumour and whether such rumour consists of undisclosed Material Information that requires immediate disclosure in accordance to the Listing Requirements.

The CDC will decide whether the Company should voluntarily make a clarification, confirmation or denial of such rumours based on its investigation.

In the event such an announcement is made to provide clarification, the Company should provide facts to support its contention and should always refrain from giving evasive replies which neither confirms nor denies the rumours.

S. Unusual Market Activity (“UMA”)

The Company will undertake due enquiry when there is unusual trading activity or price movement of the Company’s securities irrespective whether a written UMA query is issued by Bursa Securities. The due enquiry will be undertaken with the relevant persons in order to determine the cause and thereafter to issue a clarifying announcement on an immediate basis.

T. Keeping Board of Directors Informed

The CDM is responsible for keeping the Board informed of all material developments and significant information disseminated to the public.

U. Retention of Disclosure Documents

The CDM shall maintain a file of all disclosure documents prepared and filed with the securities regulators during the last seven (7) years.

The HGSCA will keep copies for five (5) years of all widely distributed information sent to analysts and investors and copies of analyst reports on MMC and transcripts or tape recordings of conference calls and notes from executive meetings with analysts or investors.

Nothing in this Policy is intended to lessen the number of years documents must be kept by the Company pursuant to any applicable legal requirements.

V. Electronic Communication

The CDM will monitor and ensure that disclosure through electronic communications made on behalf of the Company comply with relevant disclosure requirements under applicable securities laws. The Company will not, through electronic communication, publish documents offering securities to the general public or related promotional materials before or during a public offering ("Offer Document"), unless permitted pursuant to applicable securities laws.

Electronic communication should include a disclaimer, to the effect that the posting of Offer Documents through electronic communications that can be accessed in jurisdictions where such securities are not qualified for distribution are not intended to constitute an offering in that jurisdiction.

(I) MMC Corporate Website

The Group Strategy & Corporate Affairs Department will be responsible for updating the MMC Corporate Website from time to time as and when necessary. Material Information shall be disseminated to all required securities regulators, before being posted onto the MMC Corporate Website. All publicly filed documents, including news releases containing Material Information, should be included on the MMC Corporate Website as soon as practicable after such material has been received, filed or posted on Bursa Malaysia's website.

The MMC Corporate Website should have a notice advising the reader that the information that is posted is accurate at the time of posting but that the Company specifically disclaims any intention or responsibility to update this information and it may be superseded by subsequent disclosures.

The Company is to maintain a "frequently asked questions" section on the MMC Corporate Website and will endeavour to provide, if requested, similar non-Material Information to other third parties that it has provided to analysts and institutional investors.

(II) Obtaining Feedback

The Company has developed various channels for shareholders and major shareholders to provide their comments and feedback. The Company will consider the relevant comments and feedback received for the betterment of the Company.

W. Policy Communications and Consequences for Non-Compliance with this Policy

All employees shall be advised of this CDPP and its importance. This CDPP must be strictly complied with.

- (i) Non-compliance with the CDPP is a misconduct, which will result in an investigation/inquiry to establish the facts and if substantiated, may lead to disciplinary action being taken.
- (ii) In the case of suspected forms of criminal activity or breach of law or regulations, the Company has the right to report the case/breach to the appropriate authorities.
- (iii) An employee who has any knowledge of any questionable or possible breach of the CDPP or possible illegal action affecting the Company is expected to promptly report such actions to his superior or to the Company immediately.

Additionally, full disclosure and co-operation of the employee with the parties involved in the investigation is essential. Any concealment regardless of any reasons will be considered a violation of the CDPP.

X. Contact Persons

If you have any questions about any aspect of this Policy or your duties under it, please contact the CDM or any members of the CDC. If you become aware of a possible violation of this Policy you are encouraged to report this to the CDC or the Company's Internal Auditor.

Schedule A

Examples of Potentially Material Information

The following are examples of information that would be Material Information if they result in, or would reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of any one of the Reporting Issuers (this list is not intended to be exhaustive):

- Changes in share ownership that may affect control of a company
- Major reorganizations, amalgamations or mergers
- Takeover bids, issuer bids or insider bids
- Public or private sale of additional securities
- Planned repurchases or redemptions of securities
- Planned splits of common shares
- Changes in a company's dividend payments or policies
- Material modification to rights of security holders
- A significant change in near-term earnings prospects
- Unexpected changes in financial results for any periods
- Changes in the value or composition of a company's assets
- Any development that affects the company's technology, products or markets
- Major labour disputes or disputes with major contractors or suppliers
- Significant new contracts, products, patents or services or significant losses of contracts or business
- The commencement of, or developments in, material legal proceedings or regulatory matters
- Significant acquisitions or dispositions of assets, property or joint venture interests
- The borrowing or lending of a significant amount of money
- Any mortgaging or encumbering of a company's assets
- Changes in rating agency decisions
- Significant new credit arrangements

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