



ANTI-BRIBERY & ANTI-CORRUPTION POLICY

PURPOSE

MTS Fibromat (M) Sdn. Bhd. aimed at protecting the integrity, transparency, impartiality and accountability throughout the Company's operations. The Anti-Bribery & Anti-Corruption policy provides a structured compliance guideline to prevent, detect and correct acts of fraud, bribery and corruption.

SCOPE

Applies to all employees throughout the company including suppliers, vendors, contractors, consultants, partners, visitors and other parties engaged by the company both internally and externally.

CONTENTS

1.0 OVERVIEW

- 1.1. The Company is committed to conducting its business based on principles of fairness, honesty, openness, decency, integrity and respect.
- 1.2. The Company is focused on fostering a business environment with high standards of integrity in all its conduct as well as business practices and adopts a zero-tolerance policy against all forms of bribery and corruption to achieve a higher level of professionalism in reaching corporate governance and social responsibility.
- 1.3. The Anti-Bribery & Anti-Corruption Policy ("ABAC Policy") will serve as the core of the Company's compliance guidelines. It is put in place to prevent, detect and correct acts of fraud, bribery, corruption and other act defined in this policy.
- 1.4. The policy requires compliance with all applicable laws and regulations on bribery and corruption i.e., subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 200 (Act 694) ("MACC Act 2009"), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Amendment Act 2018").

2.0 RESPONSIBILITIES

- 2.1. Board of Directors
 - 2.1.1. Responsible for policy approval, including any amendments to the policy and overseeing the efficacy of this policy's implementation.
 - 2.1.1. Enforcement of this policy and set the tone from the top.
- 2.2. Heads of Department
 - 2.2.1. Set a precedent for ABAC compliance and eventually monitor bribery and corruption concerns.
 - 2.2.2. Responsible for the assurance of compliance with the policy and relevant anti-corruption legislation by business associates, third parties, and/or external parties.

- 2.3. Head of Human Resource Department
 - 2.3.1. Responsible for the design, implementation, monitoring and management of ABAC framework and activities.
- 2.4. Middle management / Supervisory role
 - 2.4.1. Responsible for informing all workers about the ABAC policy and its obligations.
 - 2.4.2. Responsible for ensuring the Company's Code of Conduct, ABAC Policy and requirements are communicated to business associates, third parties and/or external parties.

3.0 ANTI-BRIBERY & ANTI-CORRUPTION

- 3.1. The Company adopts zero tolerance and strictly prohibits all forms of corruption, including bribery, all forms of corruption including passive corruption, embezzlement, theft, fraud, extortion, favouritism and nepotism, money laundering, creating and exploiting conflicting interests and improper political contributions.
- 3.2. Bribery can also be associated in the form of promises, offers or providing "anything of value" (cash, material, property or in similar values proposition) whether directly or indirectly, with the intention to induce or reward a person to act or tolerant from acting in respect of any matter or transaction (actual or proposed or likely to take place) or performance of the person's duty.
- 3.3. Employees shall not participate in activities mentioned above including offering, giving or receiving any item of value in an attempt to unlawfully influence the decisions or actions of a person in a position of trust within an organisation, either to benefit the Company or the persons involved in the transaction, whether directly or indirectly.
- 3.4. It is prohibited to provide any contracts, employment positions (hiring or promotions) or business opportunities to third parties (directly or indirectly) without going through the appropriate channel within the Company.
- 3.5. The Company shall not penalise an employee in any form or other adverse consequences for refusing to participate in any activities that are against this policy even if such refusal may result in the Company losing business or experiencing a delay in business operations.

4.0 CONFLICT OF INTEREST

- 4.1. A conflict of interest in the Company varies in many situations under different contexts.
- 4.2. In an overall perspective, conflict of interest occurs when an Individuals' personal interests, family, relationships, political or social issues may impair their judgement, decisions or actions at work.
- 4.3. The use of position, company property or the offering of company contracts is strictly prohibited from being associated with a personal gain or interest of the employee.
- 4.4. To avoid a conflict-of-interest situation from occurring, all employees are required to take decisions in the best interest of the Company and not allow personal interests to influence business choices made on behalf of the Company.
- 4.5. Employees that encounter a conflict-of-interest situation while performing their duty are required to officially report or declare it to their Head of Department to avoid any misunderstanding and seek proper resolution.

5.0 GIFTS, ENTERTAINMENT AND HOSPITALITY

- 5.1. Although the act of receiving gifts, favours and other sorts of hospitality is understandable and is an act commonly accepted as a gesture of good nature and in building a good relationship, it is strictly prohibited to give or receive any gift (in cash, in kinds or in any forms or material) to and from anyone.
- 5.2. The civility exchanged between stakeholders covered in this policy are:
 - 5.2.1. Gifts including any type of gifts, whether material or monetary including personal gifts.

- 5.2.2. Entertainment such as invitations to social, cultural or sporting events.
- 5.2.3. Hospitality such as meals, drinks, as well as lodging and travel expenses.
- 5.3. As such its highly important to adhere to the below clauses;
 - 5.3.1. Employee are not permitted to accept or offer, or approve anybody to accept or offer gifts, entertainment, or hospitality to influence their business decision.
 - 5.3.2. Employee are not permitted to accept or offer any gifts, entertainment, or hospitality to improperly influence a government/public official.
 - 5.3.3. In situations that compel the employee to accept any gifts, entertainment and hospitality, the employee must declare it to the Human Resource Department for official record keeping. The records will be necessary during compliance and risk assessment audits.

6.0 CHARITABLE DONATION & SPONSORSHIP

- 6.1. Donations for charitable causes and sponsorship are widely supported as part of the Company's Corporate Social Responsibilities ("CSR") direction.
- 6.2. It is highly important for an employee which may be handling this particular portfolio in the Company to vet through the organisation or event in which the fund will be provided to a cause that properly benefits them and the programme to be legitimate.
- 6.3. Any sort of donation and sponsorship must be provided through the right channel and approved by Head of Human Resource or the Chief Executive Officer with no personal, political, unethical intention or favouritism associated. All such donations and sponsorship must be able to be disclosed publicly throughout the whole company.

7.0 FACILITATION PAYMENT

- 7.1. Company strictly prohibits facilitation payment done by both external third parties to the company or by the company's personnel towards external third-party stakeholders in order to further expedite or secure any business transactions.
- 7.2. If any circumstances require any facilitation payment, the employee is required to immediately report it to their respective department head or the head of human resource.
- 7.3. Under due circumstances such as an imminent threat such as loss of life, or liberty, a facilitation payment may be permitted. When such payment is made, you must disclose it immediately to the Company.

8.0 VIOLATIONS

- 8.1. Should any violations of this policy take place, the Company shall take steps to prevent a repetition of any violations. This may include;
 - 8.1.1. Institute strong disciplinary actions and/or legal actions.
 - 8.1.2. Build additional mechanisms to prevent future occurrences.
 - 8.1.3. Ensure all employees affected (including those who may unknowingly be involved) are put through rigorous training on the conditions of this policy.
 - 8.1.4. Notify the relevant regulatory authorities of any identified acts or incidents that have been proven beyond a reasonable doubt.
 - 8.1.5. Provide full cooperation to relevant authorities.

9.0 POINT OF CONTACT

- 9.1. Violations of this policy, whether actual or potential, shall be reported directly to Company or via the compliance channel or in writing to the internal compliance team.
- 9.2. All information provided will be treated anonymously. Employee and third parties such as suppliers, their employees or customers, are free to report any violations at any time.

10.0 MAKING A REPORT

- 10.1. The Company presumes that whistle-blowers will act in good faith and will not make false accusations when reporting violations of this policy by the Company's employees or other parties.
- 10.2. Any person may report allegations of suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, the Company's customers, shareholders, employees, investors or the public at large.
- 10.3. Whistle-blowers are encouraged to lodge the report timely and also to ensure there is a timely response from the Company on the same.
- 10.4. Acts of misconduct may be disclosed in writing or in person telephonically. However, all reports are encouraged to be made in writing, so as to assure a clear understanding of the issues raised.
- 10.5. Although the whistle-blower is not expected to prove the truth of an allegation, he/she needs to demonstrate to the person contacted that there are sufficient grounds for concern. Adequate information will assist greatly in the investigation.
- 10.6. Individuals are recommended to self-identify, though it is not a requirement.
- 10.7. Reports can be raised to:
 - 10.7.1. In person or via any written communication to any Company Officials such as Head of Human Resources Department.
 - 10.7.2. In writing to the Company, addressed to the Chief Executive Officer
 - 10.7.3. Or other means comfortable to the whistle-blower but directed to the persons mentioned above.

Revision date: 22 March 2024 Prepared by: HR Department Approved by: Chief Executive Officer
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