

FIBROMAT (M) BERHAD
Registration No. 201201037651 (1022133-V)

CODE OF CONDUCT AND ETHICS FOR DIRECTORS

1. INTRODUCTION

- a) Appropriate standards of conduct and ethical behaviour are fundamental to the preservation of the reputation of **FIBROMAT (M) BERHAD** ("**Fibromat**" or "**the Company**") and its subsidiary and the success of their operations. Adherence to ethical values will create an environment of mutual trust whilst increasing the confidence of the stakeholders.
- b) **Fibromat** is committed to the highest standard of conduct in all its business dealings and its relationships with its employees, customers, shareholders and stakeholders, premised on the core principles of sincerity, integrity, transparency and accountability. **Fibromat** takes a zero-tolerance approach towards fraud, bribery and corruption and any form of dishonesty in its business dealings.
- c) The Board of Directors of **Fibromat** ("Board") is entrusted with the fiduciary responsibility of oversight of the affairs of **Fibromat** for which the Board is committed to ensuring that **Fibromat** conducts its business dealings in the manner as stated above. As Directors of **Fibromat**, they are obliged to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the applicable laws, rules, regulations, guidelines and internal policies and relevant procedures.
- d) This Code of Conduct and Ethics for Directors ("**Code**") is to provide the fundamental guiding principles and standards applicable to the Directors where such principles and standards are founded on high standards of professional and ethical practices. The Directors acknowledge that they must exercise judgment in applying the principles embodied in the Code to any particular situation. This Code is not intended to be exhaustive. It should be read in conjunction with the existing framework of all relevant laws and regulations as well as the directives and policies of **Fibromat** including any relevant best practices/standards in corporate governance and provisions of the Constitutions of companies within **Fibromat**.

2. PRINCIPLES

- a) The principles of this Code are drawn and derived from international standards of corporate governance best practices and best practices in Malaysia, where relevant.
- b) Duty to act in the public interest and best interest of **Fibromat**.
- c) Directors have a statutory duty to act in the public interest and to ensure the maintenance of a fair, orderly and transparent market. Directors also

have a duty to act in good faith having regards to the best interests of **Fibromat** and its shareholders and stakeholders.

- d) Directors discharge and perform their duties to **Fibromat**, its shareholders, and other stakeholders by honestly observing high standards of ethical behaviour and abiding by all laws, rules and regulations.
- e) Directors exercise independent oversight and make decisions solely on merits.
- f) Directors take into account sustainability considerations in setting the strategic direction of **Fibromat**.

3. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Every director in exercising and/or discharging his/her powers or duties shall comply with all applicable laws, rules and regulations including the constitutions of the Group and guidance and directives issued by the authorities.

4. CONFLICT OF INTEREST

- a) Directors should avoid conflicts of interest as far as possible.
- b) Directors are required to declare at all times the nature and extent of any conflict of interests, whether direct or indirect, or whether actual or potential, with the Company or its subsidiaries, and if so required by the relevant Board/Board Committees, to recuse themselves from any deliberation and decision relating thereto.
- c) Where a potential or actual conflict arises, every Director shall adhere to the procedures provided by the relevant laws imposed by the Malaysian Government, when applicable.
- d) Where a potential or actual conflict arises in respect to competing businesses by principal officers, directors and/or major shareholders, the party in interest shall declare the competing businesses in writing, the conflict-of-interest situations, possible mitigating solutions for evaluation, deliberation and recommendation of the Audit & Risk Management Committee. The party in interest shall provide an update (if any) of the latest competing business situation to the Board of Directors annually.
- e) The members of the Board as well as principal officers shall submit a written declaration of shareholding and directorship update every quarter to the Company Secretary. The Company Secretary shall highlight any potential conflict of interest situation (if any) to the interested party as well as the Audit & Risk Management Committee for further evaluation and advice.
- f) The Audit & Risk Management Committee shall recommend and advise the mitigating solution to the Board of Directors as well as party in interest.

5. ANTI-CORRUPTION/BRIBES

- a) To observe high standards of business, professional and ethical conduct, the Directors (whether acting in their own capacity or on the Group's behalf) are committed to refrain themselves from offering, soliciting, giving or receiving any gifts, donations (including political donations), sponsorship, and any other form of benefits (in-kind, cash, advantages, travels, entertainments and/or favour and etc) from persons or entities who deal with **Fibromat** where the gift would reasonably be expected to influence the performance of the Directors' duties in any aspect.
- b) When dealing with gifts, donations, sponsorship, and any other form of benefits, a Director shall uphold the highest integrity and ensure compliance with the relevant laws in respect of anti-corruption and bribery.

6. COMPANY ASSETS

- a) Every Director has a duty to safeguard the Company's assets, including its physical premises, equipment and facilities as well as the records and information/data (both physical and electronic means).
- b) Company's Assets shall only be used in a safe, ethical and lawful manner and shall not be used for pursuing improper personal gain or opportunity.

7. CONFIDENTIALITY

- a) Directors may come into possession or access confidential, sensitive and non-public information ("**Insider Information**") in the course of their directorship with **Fibromat**. Directors must treat all such information in strictest of confidence, not disclose such information to any unauthorised persons and take all necessary precautions to maintain such confidentiality and not use it, directly or indirectly, for any purpose other than what it has been intended, except when disclosure is authorised or legally required.
- b) The obligation to preserve **Fibromat's** Insider Information is ongoing even after an individual ceases to be a Director of **Fibromat**.

8. INSIDER TRADING

Directors who possess Insider Information shall not :-

- a) deal in securities;
- b) communicate such information to any unauthorised persons, for the benefit of himself or any other persons.
- c) When dealing in the securities, a Director shall comply with the relevant laws on trading in securities and observe the procedures provided by the relevant laws imposed by the Malaysian Government, when applicable.

9. FAIR DEALING AND ANTI-COMPETITION

In the interests of preserving the reputation and integrity of **Fibromat**, a Director shall act impartially, honestly and responsibly in dealing with all employees, stakeholders, regulators and public where he/she shall not:-

- a) compete or aid/assist other competitors to compete with **Fibromat**; and
- b) take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any unfair dealing practice.

10. WAIVER

Any waiver of the application of principles/standards set forth in this Code may only be made by the Board of **Fibromat** or an authorised Committee/Panel of the Board of **Fibromat**, as it deems fit and appropriate.

11. REPORTING VIOLATIONS OF THE CODE

- a) Directors must immediately report any concern about possible/actual breaches of the Code by any director to the Chairman (or the Senior Independent Director, where applicable), shall adhere to and strictly observe the whistle blowing policy as well as the procedures provided by the relevant laws imposed by the Malaysian Government, when applicable.

A Director making such a report must have reasonable and probable grounds and merits and must undertake such reporting in good faith, in the best interests of the Company.

- b) Any improper conduct by a director may also be reported to any Enforcement Agency as prescribed in the Whistleblower Protection Act 2010.

12. ENFORCEMENT OF THE CODE

In the event of any violation of this Code by any Director, the Board shall determine appropriate actions to be taken after considering all relevant information and circumstances.

13. REVIEW

This Code shall be reviewed by the Board of **Fibromat** as required when internal or external events warrant a more frequent review to be undertaken.

[This Code of Conduct and Ethics for Directors was approved and adopted by the Board on 18 September 2025]

FIBROMAT (M) BERHAD

Registration No. 201201037651 (1022133-V)

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

1. Objectives

The Remuneration Committee (the "RC") of **FIBROMAT (M) BERHAD** (the "Company") was formed by the Board of Directors of the Company (the "Board"). Its primary function, in line with the Malaysian Code on Corporate Governance, is to assist the Board in the following areas:

- Recommend to the Board the remuneration package of Executive Directors and Non-Executive Directors of the Group to attract, retain and motivate Directors;
- Review the performance of, and recommend to the Board for approval the annual total remuneration packages which include salaries, incentives, compensation for loss or termination of office or appointment of Managing Director ("MD")/ Chief Executive Officer ("CEO"), Executive Directors and key management; and
- Review and approve performance measures for incentive plans recommended by Management, drawing from external advice, if necessary.

2. Composition

- 2.1 The Chairman of the Board should not be a member of the RC.
- 2.2 The Chairman of the RC shall be an Independent Non-Executive Director. The membership of the RC shall comprise exclusively Non-Executive Directors, a majority of whom are independent and number at least three (3) in total. No alternate Director shall be appointed as a member of RC.
- 2.3 If the membership for any reason falls below three (3) members, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.
- 2.4 The members will be appointed by the Board and will remain as members until there is a change.

3. Quorum and Meeting Procedures

The RC shall meet at least once (1) a year. More meetings may be conducted if the need arises. The quorum for a meeting of the RC shall be two (2) members.

A resolution in writing, signed by all the members of the RC, shall be as effectual as if it has been passed at a meeting of the RC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more RC members and may be accepted as sufficiently signed by RC members if transmitted to the Company by email, facsimile or other electronic

means or digital written message/application to include a signature of RC members.

In the absence of the Chairman of the RC, the members present shall elect a Chairman for the meeting from amongst the members present who would qualify under these terms of reference to be appointed to that position of the Board.

As a best practice, the Chairman of the RC should attend the Annual General Meeting to answer any shareholders' questions on the RC's activities.

4. Secretary

The Secretary of the Company (the "Secretary") shall be secretary of the RC. The Secretary, in conjunction with the Chairman of the RC, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the RC.

5. Attendance

Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the members, and it shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Only members of the Committee have the right to attend meetings. However, other Directors and individuals such as the MD/CEO, Chief Financial Officer, the Head of Human Resources, members of Management, consultants and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary. Executive Directors should play no part in decisions on their own remuneration.

6. Advisers

The RC is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary at the expense of the Company.

7. Responsibilities and Duties

In fulfilling its primary objectives, the RC shall undertake the following responsibilities and duties:

- 7.1 setting the remuneration policy for all Directors and key senior management. In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of remuneration policy is to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;

- 7.2 assist the Board in developing and administering a fair and transparent procedure for setting policy on remuneration of Directors and key senior management. Remuneration packages are determined on the basis of the Directors' and senior management's merit, qualification and competence, having regard to the Company's long term strategic goals, sustainability risks and opportunities, operating results, individual performance and comparable market information;
- 7.3 to review and recommend to the Board the appropriate remuneration packages for the Executive Directors, Non-Executive Directors and key management;

The remuneration of Non-Executive Directors will be a matter to be decided by the Board, as a whole taking into account, the responsibilities, expertise and commitment, with the director concerned abstaining from the discussion and voting on decisions on his/ her own remuneration.

- 7.4 to formulate policies, procedures, guidelines and set criteria for remuneration packages for the Executive Directors, Non-Executive Directors and key management, which should be disclosed in the Annual Report where necessary;
- 7.5 to ensure that the Executive Directors, Non-Executive Directors and key management are fairly and appropriately remunerated according to the general market sentiments or conditions;
- 7.6 to ensure that all necessary actions are taken expediently by the Board to offer appropriate rewards, benefits, compensation and remuneration to ensure that the Company attracts and retains the individual Executive Directors, Non-Executive Directors and key management needed to run the Company successfully;
- 7.7 to ensure that all remuneration packages and benefits given to the Executive Directors, Non-Executive Directors and key management are in compliance with all laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time;
- 7.8 to review the fees of the Directors and benefits payable to Directors including any severance payments/ compensation for loss of employment of Director or former Director and recommend to the Board of Directors and thereafter to be approved at a general meeting. When considering severance payments, RC should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public opinion might deem to be excessive;
- 7.9 to recommend the engagement of external professional advisors to assist and/or advise the RC, on remuneration matters, where necessary;
- 7.10 to implement the Company's remuneration policies and procedures including reviewing and recommending matters relating to the remuneration of Board and senior management;

- 7.11 the RC has written terms of reference which deals with its authority and duties and these terms are disclosed on the Company's website;
- 7.12 to review, at least once a year, its own performance, Constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 7.13 to consider all other related matters as may be requested by the Board from time to time or the RC deems appropriate.

The level of remuneration should be aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities, and reflects the experience and level of responsibilities undertaken by the Executive Directors, Non-Executive Directors and key management.

The determination of remuneration packages of Executive Directors, Non-Executive Directors and key management should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration.

7 Minutes

The Secretary shall keep all the minutes of meetings of the RC and copies thereof shall be circulated to all members of the Board.

8 Revision of the Terms of Reference

Any revision or amendment to this Terms of Reference, as proposed by the RC or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

(This Terms of Reference for the RC was approved and adopted by the Board on 23 September 2024)