



MESTRON HOLDINGS BERHAD

[Registration No. 201801018716 (1280732-K)]

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1.0 POLICY STATEMENT

Mestron Holdings Berhad and its subsidiaries (hereafter referred to as the “**Group**”) is committed to conducting its businesses in an ethical, responsible, transparent and efficient manner. Hence, the Group inspires to reinforce good governance, preventive system and ensuring compliance with procedures, code of conduct and relevant laws in force. This Anti-Bribery and Anti-Corruption Policy (“**Policy**”) is an initiative to contribute toward anticorruption efforts in Malaysia.

1.1 Principle

- 1.1.1 We take a zero-tolerance approach to corruption. Any violation of this Policy will be regarded as a serious matter and will result in disciplinary action, including dismissal and termination in accordance with local law.
- 1.1.2 We will uphold all laws relevant to countering corruption. We remain bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time in respect of our conduct both in Malaysia and abroad.
- 1.1.3 The Board has oversight of this Policy. The Managing Director (“**MD**”), Executive Director (“**ED**”), Heads of Departments (“**HODs**”) and the person associated with the Group are responsible for ensuring compliance with this Policy. Every employee of the Group is required to be familiar with and comply with this Policy.

2.0 OBJECTIVE OF THE POLICY

To ensure employees of the Group discharge their duties in an ethical, responsible, transparent and efficient manner and free from corruption. To create a working environment that practices integrity work culture to enhance the trust and confidence of the Group’s stakeholders.

2.1 Scope and Application

The Group shall strive to perform its function in a fair and transparent manner and free from corruption through the following actions:

- Committing to promote values of integrity, transparency and good governance;
- Strengthening internal systems that support corruption prevention;
- Complying with laws, policies and procedures relating to the fighting of corruption;
- Fighting any form of corrupt practice; and
- Supporting corruption prevention initiatives by the Malaysian Government and the Malaysian Anti-Corruption Commission (MACC).

The Policy is applicable to all Directors and Employees (including full time, part-time, probationary, contract and temporary staffs) of the Group and should also include consultants, contractors, trainees, seconded staff, volunteers, interns, agents, sponsors, suppliers, customers, any third party and any other person associated with the Group. Each Director or Employee as well as persons associated with the Group has a duty to read and

understand the Policy.

If a Director requires further clarification on the Policy, the Director may refer to the Chairperson of the Board of Directors of Mestron ("Board"), the MD or ED, whereas for an Employee, the Employee may refer to his/her immediate Head of Department.

2.2 Commitment

The Group are committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the company's daily operations. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. Employees who refuse to pay or receive bribes or participate in acts of corruption will not be penalised even if such refusal may result in the Company losing its business or not meeting the targets.

The Group's Policy leverages the core principles set out in the Group's Code of Business Conduct. The scenarios provided within this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances relating to bribery. Compliance to the Policy is mandatory and will be monitored with a principle-based approach.

3.0 CORRUPTION AND MALPRACTICE

3.1 Bribery and Corruption

Employees and parties dealing with the Group shall not accept or obtain or attempting to accept or obtain, solicit, offer, promise or give any bribe or gratification directly or indirectly as an inducement or reward to or from any party for doing or forbearing to do any act.

3.2 Gratification

Gratification stated under Section 3 Malaysian Anti-Corruption Commission Act 2009 means:

- i. money, donation, gift, loan, fee, reward, valuable security, property or interest in the property is a property of any description whether moveable or immovable, financial benefit, or any other similar advantage;
- ii. any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- iii. any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- iv. any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- v. any forbearance to demand any money or money's worth or valuable thing;
- vi. any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action 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
- vii. any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs i to vi.

3.3 Facilitation payments

Employees and parties dealing with the Group shall not accept or obtain or attempting to accept or obtain, solicit, offer, promise or give facilitation payments to secure or expedite the performance of the employee's duty.

3.4 Political Donations and Contribution

Any charitable donations or contributions given to political parties must get approval from

the MD or ED. Whilst our employees and parties acting in their own personal capacity as citizens are not restricted to make any personal political donations but there is no reimbursement for these personal political contributions back to these employees and parties unless approved by the MD or ED.

3.5 Sponsorships, Donations, and Contribution to Charity or Social Projects

Charitable Contributions, sponsorships or donations shall be made to community projects or charities in good faith and compliance with the Group's Code of Business Conduct and Ethics, this Policy and all relevant policies and procedures. Any charitable contributions, sponsorships or donations made on behalf of the Group must be approved prior to contributions being made by the MD or ED.

The Group's property, facilities, services, or employee time cannot be used for / contributed to any political party or candidate for public office without approval by the Board.

No donation should be made which may or may be perceived to breach applicable law or any other sections of this Policy.

3.6 Account for Secret Profits or Gains

Employees shall immediately disclose the receipt of any discount, rebate, commission, service, interest, consideration for value or other benefit or payments of any kind (whether in cash or in-kind) and shall be liable to surrender such benefits and / or payment received.

3.7 Conflict of Interest

3.7.1 Use of Office Position, confidential Information, Assets and Other Resources

Employees shall not use his official position, confidential information, assets and other resources for his personal gain or the advantage of his family and associates.

3.7.2 Declaration of Interest

Employees shall declare his interest and withdraw from taking any action or participating in any decision-making process in matters where they have or potentially have a conflict of interest.

3.8 Giving Undue Advantage to Third Parties

Employees shall not be involved with the commission or omission of any act, which gives an undue advantage to an outside party in its dealings with the Group without prior approval, whether such acts or omissions result in him obtaining a personal gain, benefit or advantage.

3.9 Disclosure of Payments to Third Parties

Employees shall disclose all commissions and expenses or payment paid to the third parties in any official dealings with the Group if any with prior approval from MD or ED.

3.10 Gift Policy

Gifts, hospitality and entertainment such exchange of business courtesies may be offered to or received from you but only where it is appropriate to do so in the circumstances that do not influence business decisions. Any such business courtesies offered or received that transacted on behalf of the Group must be approved by the MD or ED.

3.10.1 Receiving Gifts

- i. As a general principle, employees and / or his immediate family, are not allowed to receive any gifts of whatever nature regardless of value on a

personal basis from any party who have official dealings with the Group.

- ii. However, if employees are to receive any gifts, declaration shall be made for the gift received and forwarded to the MD or ED for approval to retain or to dispose of the gift.
- iii. Employees shall declare the receipt of gifts discourteous to refuse to the Group and request for approval to retain the gift.

3.10.2 Giving Gifts

Employees are only allowed to give any gifts or contributions with prior approval from the MD or ED upon request by requesting party.

- 3.10.3 Giving or receiving / accepting or soliciting gifts is an offence punishable under the Malaysian Anti-Corruption Commission Act 2009.

4.0 IMPLEMENTATION

4.1 Notification and Training

It is the duty of the Group to:

- i. Issue a circular on the Anti Bribery and Corruption Policy to all parties including employees and other stakeholders.
- ii. Make available of the Group's Anti Bribery and Corruption Policy to employees.
- iii. Arrange for a learning programme for employees to understand the content of the Group's Anti Bribery and Corruption Policy.
- iv. Conduct timely refresher and awareness programmes for individuals who are currently holding an exposed position and new to the Group to ensure they understand the Group's anti-corruption position

4.2 Compliance to Laws, Policies and Procedures Relating to Corruption

- i. Employees shall observe all laws, policies and procedures relating to corruption.
- ii. The Group shall set-up an Integrity Team in order to handle non-compliance on integrity matters. The functions and duties shall be specified as follows:
 - a. strengthening the integrity of the Group;
 - b. setting-up complaint mechanism and managing of complaints;
 - c. detecting and investigating cases of misconduct;
 - d. ensuring compliance to code of conduct, regulations and relevant laws in force relating to integrity; and
 - e. ensuring good governance in integrity issues is implemented and carried out effectively.
- iii. Employees are encouraged to report any act of bribery and corruption directly to the Managing Director, Executive Director or Non-Executive Director on the following channels:
 - a. por@mestron.com.my; (MD) or
 - b. gary@mestron.com.my; (ED) or
 - c. ijaismail@yahoo.com (Chairwoman).

4.3 Policy Violation

- i. Employees found violating this policy may be subjected to disciplinary action as well as potential criminal investigation and prosecution; and
- ii. Official dealings between the Group and third parties shall be terminated or discontinued if they are found offering, promising, giving or soliciting any bribe or gratification to the Group's employees and reports shall be made to Malaysian AntiCorruption Commission (MACC) for investigation upon approval by the Board.

4.4 Duty to Report

- i. It is the duty of employees and parties dealing with the Group to report any gratification given, promised, offered, solicited, obtained or accepted or attempted to obtain or accept to MACC. Failure to report is an offence under Section 25 Malaysian Anti-Corruption Commission Act 2009.
- ii. It is the duty of all employees and parties dealing with the Group to report on suspected violations of all laws, policies and procedures relating to integrity and corruption to the MD, ED or Chairwoman.
- iii. The report may also be made under the Group's Whistle Blowing Policy by writing to the Board Committee of the Group.
- iv. Employees and parties making such reports are protected under the MACC Act 2009, Witness Protection Act 2010, Whistle-Blower Act 2010 and Whistle Blower Policy.
- v. No malicious, vindictive or baseless accusations shall be made by any employee against another employee(s). Appropriate action shall be taken against any employee making such malicious, vindictive or baseless accusations.
- vi. No form of retribution shall be made against any employee who reports in good faith of any known or suspected violations.
- vii. No form of reprisal shall be made by any employee against another employee who in good faith has reported the known or suspected violations. Appropriate action shall be taken against any employee causing such reprisal to be made.

4.5 Record Keeping

All financial records shall be kept and have appropriate internal controls in place which will evidence, substantiate and justify that business reason for making payments to, and receiving payments from, third parties.

All expenses claims relating to gifts or entertainment made to third parties must be ensured that are submitted in accordance with the Group's reimbursement procedures and / or applicable policy and specifically record the reason for such expenditure. All the parties shall further ensure that all expense claims shall comply with the terms and conditions of this Policy.

All documents, accounts and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts should be kept "off-book" to facilitate or conceal improper payments.

4.6 Monitoring and Review

Internal control systems and procedures will be subject to regular audits to assure that they are effective in countering corruption and bribery.

4.7 Confidentiality and Protection

Individuals who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this Policy in good

faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

4.8 Immunity / disclaimer

Employees who participate in any activities that constitute the act of violation of laws, policies and procedures mentioned above which he / she reported shall not be given immunity against any investigation or disciplinary / criminal proceeding arising out of the report made. Nevertheless, in such circumstances, the fact that he / she had caused the report to be made may be taken into consideration as a mitigating factor.

5.0 AMENDMENT

The Group reserves the right to amend or modify this Policy in whole or in part, at any time necessary so to do. However, no such amendment or modification shall be binding on employees or external parties unless the same is notified to the employees or external parties in writing.

REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS ON 25 APRIL 2024.

