

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. Mieco Chipboard Berhad's Commitment

Mieco Chipboard Berhad and its subsidiaries (“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 Anti-Bribery and Anti-Corruption Policy (“this Policy”) leverages the core principles set out in the Group’s Code of Conduct and Ethics (“the Code”). 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.

2. Background

The Group highlighted Integrity as the first core values in the Code. Each Employee shall uphold high levels of personal and professional values in all business interactions and decisions.

The nature of the Group’s business requires its employees to engage in business with a wide range of parties, both internal as well as external. This Policy establishes the boundaries on interactions with all parties.

This Policy also provides guidance on how to act when subjected to potential acts of bribery and matters of corruption.

This Policy shall be read in conjunction with the Code, the Vendor Code of Conduct, Whistleblowing Policy and the Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendment (“MACCA”).

3. Objective

This Policy sets out the Group’s position on bribery in all its forms and matters of corruption that might confront the Group in its day to day operations.

4. Scope

This policy applies to all Directors and Employees of the Group.

5. Definitions

The following definitions are included in this policy: -

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| Bribery | <p>Bribery is defined as any action which would be considered as an offence of giving or receiving 'gratification' under MACCA. 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. '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> <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> |
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| Business Associate | An external party with whom the organisation has, or plans to establish, some form of business relationship. This primarily include Counterparties and Business Partners (as defined in the COBC), i.e. clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors (ISO 37001 definition). |
| 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 | When a person’s own interests have the potential to influence or are perceived to influence the decision making of the Group. |
| Donations and sponsorship | Charitable contributions and sponsorship payment made to support the community. |
| Directors | Directors include all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors. |
| Exposed Position | <p>A staff position is identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited to any role involving: -</p> <ul style="list-style-type: none"> a) procurement or contract management; b) financial approvals; c) human resource; d) relations with government officials or government departments; e) sales; f) positions where negotiation with an external party is required; or g) other positions which the company has identified as vulnerable to bribery. |

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| Facilitation payment | 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. |
| Corporate gift | <p>Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift.</p> <p>Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of a campaign or strategy of building the company's brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved.</p> <p>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 | <p>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.</p> <p>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.</p> |
| Employees | All individuals directly contracted to the Group on an employment basis including permanent full-time employees, employees under probation, temporary and part-time employees and Directors. |

6. Anti-bribery and anti-corruption policy

- a) All forms of bribery and corruption are prohibited. The Group upholds a zero tolerance approach. In addition to bribery, Employees must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.
- b) Bribery may be in the form of an exchange of money, goods, services, property, privilege, employment position or preferential treatment. Employees shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit the Group or the persons involved in the transaction.

- c) This Policy applies equally to the Group's business dealings with commercial ('private sector') and government ('public sector') entities, and includes interactions with their directors, employees, agents and other appointed representatives at all levels. Even the perception of bribery is to be avoided.
- d) This Policy applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.
- e) No Employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the company losing business or experiencing a delay in business operations.
- f) The Group recognises the value of integrity in its Employees and Directors. The Group's recruitment, training, performance evaluation, remuneration, recognition and promotion for all Employees, shall be designed to recognise integrity. The Group conducts due diligence on employees who holds or may be holding Exposed Positions.
- g) The Group does not offer employment to prospective Employees in return for previous favour/in exchange of improper favour.
- h) The Group awards contracts and employee positions purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process.

7. Recognition of local and international legislations

- a) The Group is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited to MACCA, Malaysian Penal Code (revised 1977) (and its amendments), the Companies Act 2016 (Malaysia), the US Foreign Corrupt Practices Act 1977 (amended 1998), and the UK Bribery Act 2010. These laws prohibit bribery and corruption. Organisations are mandated to establish and maintain accurate books and records as well as adequate measures to prevent corrupt practices.
- b) In cases of conflict between mandatory law and the principles contained in this Policy the law shall prevail.

8. Gifts, Entertainment and Travel and Donation and Sponsorship

- a) The Group prohibits both the giving and receiving of Gifts, Entertainment and Travel (GET) and Donation and Sponsorship (D&S) to influence business decisions. Employees must comply with all applicable policies, procedures, laws and regulations related to the use of GET in all countries in which the Group operates.
- b) It is acknowledged that the practice of business gifts and donation varies between countries, and what may be deemed as acceptable in one country may

not be in another. Subsidiary companies within the Group are therefore encouraged to develop further guidelines cascading from this Policy, to streamline thresholds and develop specific requirements applicable to the respective subsidiary and the country in which they operate.

c) The Group allows appropriate business-related GET. Reasonable GET are acceptable provided that the following guiding Principles are observed: -

i. Principle 1: Transparency

You should be comfortable to disclose to your colleagues the GET and D&S that you offered/received.

ii. Principle 2: Recipients

You should only offer/accept GET and D&S to/from those who will not put you in a position of conflict.

iii. Principle 3: Ability to Influence

The GET and D&S must not be offered/accepted when there is a pending business decision.

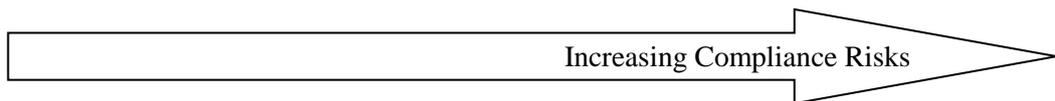
iv. Principle 4: Value

The GET and D&S must be modest and must not be so frequent as to place the recipient under an obligation.

v. Principle 5: Purpose

The intention behind the GET and D&S must not be interpreted as to gain unmerited advantage.

d) The following guide is designed to assist in the application of the Principle in GET and D&S:



| | Acceptable | Tolerable | Cautious | Prohibited |
|-----------------------------|---|---|--|--|
| Transparency | Full disclosure (recorded) | No risk of embarrassment upon disclosure | Concerns arise on public's perception ("newspaper test") | Non-compliance with disclosure requirement or limits imposed by recipient's organization |
| Recipients | Recipient is an organization | Recipient's organization permits exchange of courtesies | GET involves associated recipients (e.g. spouse, family) | Individual recipient has the authority to affect business outcome |
| Ability to influence | No pending business decision before the recipient | | | There is a pending business decision before the recipient |
| Value | Modest, low value | Moderate value and occasional | Exceeds prescribed threshold | Excessive, cash or cash equivalents |
| Purpose | Promotional activity | Clear and legitimate | Building relationship/ rapport | Given in exchange for something in return |

- e) Where possible, Employees should avoid from offering and/or accepting GET and D&S to/ from government officials. If a gift is deemed appropriate, a Corporate Gift for a specific purpose is encouraged as opposed to a Personal Gift.

GET must be reasonable and proportionate to the income of the Government official such that the no obligation is created by the provision of the hospitality resulting in a decision to the advantage of the business. All offers and acceptance of GET and D&S involving government officials must be approved by the relevant decision-makers according to their Limits of Authority ('LOAs'). The GET and D&S must also be declared in the records of each department/division/subsidiary company.

- f) Donations and Sponsorships (D&S) are permitted provided that the LOAs are observed;
- g) If a Division/subsidiary has established LOAs and guidelines on GET and D&S, GET and D&S in excess of such LOAs must be properly documented and retained in a record book available for audit purposes.
- h) In respect of political contributions, funds or resources of the Group must not be used to make any direct or indirect political contributions on behalf of the Group without approval from the Board. Any appearance of making such contributions or expenditure to any political party, candidate or campaign, must also be avoided.
- i) Donations in the form of charity may be permissible depending on the circumstance but should be made directly to an official entity and be able to be disclosed publicly when required to.
- j) Discounts, provisions of free products and services, provision of vehicles at discounted or zero cost rates, servicing and other provisions are not permitted in exchange for undue influence.
- k) Where GET and/or D&S and/or the development of divisional/subsidiary company cascaded guidelines are not immediately apparent, the Group Managing Director/Group Company Secretary shall be consulted.

9. Facilitation Payments

- a) The Group adopts a strict stance that disallows facilitation payments.
- b) Employees are expected to notify their immediate superior when encountered with any requests for a facilitation payment. In addition, if a payment has been made and Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. They must also ensure that the payment has been recorded transparently.
- c) The Group equally upholds the safety of all Employees as priority. In the event that an Employee's safety is at stake, a facilitation payment to protect the Employee is permitted if: -

- (i) that is the immediate available recourse to protect the safety of the Employee;
- (ii) the subsidiary's Managing Director/Group Managing Director's approval has been obtained; or, payment under the state of emergency had been undertaken, after which the subsidiary's Managing Director / Group Managing Director's approval must be retrospectively obtained as soon as possible.

10. Business Associates

- a) As part of the Group's commitment to combat bribery, the Group expects all Business Associates to refrain from bribery.
- b) If suspicion of bribery and corruption arises in the dealings with any Business Associate, the Group shall seek an alternative provider of the services / goods.
- c) The Group expects all Business Associates acting on behalf the Group to contractually agree to refrain from bribery and corruption, and to adhere to the Vendor Code of Conduct ("Vendor COC").
- d) 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.
- e) The extent of the due diligence should be risk-based and shall include a bribery risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another.
- f) The Group shall endeavour to include clauses in all contracts enabling the Group to terminate any contract in which bribery or corruption has been observed.
- g) The Group strives to build and strengthen its relationships with Business Associates. In ensuring that the Business Associate adhere to industry best practice and accepted standards of behaviour, Business Associates may be required to complete the MIECO Business Partner Compliance form, where deemed necessary based on circumstantial requirements. Where the requirements may not be immediately apparent, Group Corporate & Compliance shall be consulted.
- h) Guidance and standards for appropriate practices and behaviours are expected to also be regulated to prevent corrupt practices. These are addressed in the JV COC Framework. Where the requirements may not be immediately apparent, Group Corporate & Compliance shall be consulted.
- i) The Vendor COC (VCOC) provides guidance to Vendors on the required standards and code of conduct when engaging in business dealings with the Group. All vendors are expected to adhere to the VCOC and declare compliance to the VCOC via the Vendor Letter of Declaration (VLOD). Where the

requirements may not be immediately apparent, the Group Managing Director/Group Company Secretary shall be consulted.

11. Responsibilities of Employees

Employees are responsible for understanding and complying with this Policy. In particular, the role of all Employees includes the following: -

- i. Be familiar with applicable requirements and directives of the policy and communicate them to subordinates;
- ii. Promptly record all transactions and payments accurately and in reasonable detail;
- iii. Always raise suspicious transactions to immediate superiors for guidance on next course of action;
- iv. Promptly report violations or suspected violations through appropriate channels;
- v. Promptly complete trainings and assessments, as well as attest to comply annually.

12. Conflict of Interest

- a) Conflicts of interest arise in situations where there is a personal interest that might be considered to interfere with that person's objectivity when performing duties or exercising judgement on behalf of the Group. Employees should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties. Employees must not use their position, official working hours, Group resources and assets for personal gain or to the Group's disadvantage.
- b) The Code sets out the procedures on how to deal with conflicts of interests arising with a selected group of individuals and entities, including: -
 - i. Dealing with suppliers, customers, agents and competitors;
 - ii. Personal dealings with suppliers and customers;
 - iii. Outside employment and activities outside the Group;
 - iv. Board membership;
 - v. Family members and close personal relationships; and
 - vi. Investment activities
- c) In situations where confronted with such conflict, Employees are required to complete the Conflicts of Interest Disclosure Form.

13. Staff Declaration

- a) All new recruits shall complete trainings on the Code and this Policy. New recruits are expected to pass the assessment at the end of the training and attest that the COBC shall be complied with in the course of his/her employment.
- b) In addition, under circumstances of suspicious behaviour, allegations and/or investigations relating to bribery or corruption, Group Corporate & Compliance reserves all rights to request the relevant Employee to declare information regarding assets owned as deemed necessary.

14. Anti-Bribery and Anti-Corruption Compliance

- a) Group Corporate & Compliance shall have the oversight of the implementation of compliance controls related to this Policy.
- b) Group Corporate & Compliance shall conduct regular risk assessments to identify the bribery and corruption risks potentially affecting the Group. Group Corporate & Compliance shall also review the suitability of this Policy from time to time, taking into account relevant developments in the legislature as well as evolving industry and international standards.
- c) Group Corporate & Compliance shall be the independent authority under GPA A5 to act effectively against bribery, including initiating investigations deemed necessary based on reasonable cause for suspicion. The Head of Group Corporate & Compliance shall maintain a direct reporting line to the Governance and Audit Committee, the Group Management Committee as well as the Directors.
- d) Group Corporate & Compliance shall implement and effectively manage routine anti-bribery and anti-corruption measures as deemed appropriate to ring-fence the organisation against possible legislative liabilities, as well as undertake ad-hoc measures deemed required based on circumstantial requirements that presents during the course of operations.

15. Awareness and Training

- a) The Group conducts awareness programmes for all Employees to refresh awareness of anti-bribery and anti-corruption measures, and to continuously promulgate integrity and ethics. This includes periodic training, assessment and attestation as and when required and deemed practicable.
- b) In addition, the Group provides anti-bribery and anti-corruption training to:
 - i. New recruits; and
 - ii. Employees promoted / transferred to Exposed Positions.

- c) The Group Managing Director/Group Company Secretary may at any time recommend that certain trainings be repeated to any Employee / Group of Employees in any operating unit if deemed necessary based on circumstantial requirements.
- d) The Human Resources Dept shall maintain all records of trainings in collaboration with the Group Managing Director/Group Company Secretary.

16. Reporting of Policy Violations

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. Employees who encounter actual or suspected violations of this Policy are required to report their concerns. Each Employee has a responsibility to ensure that suspected -bribery and corruption incidents are reported promptly via the procedures set out in the Whistleblowing Policy which is made available in the Group's website.

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.

17. Non-compliance

- a) The Group Managing Director/Group Company Secretary shall conduct regular validation to ensure compliance to this Policy. Such validation exercises may be conducted either independently by the Group Managing Director/Group Company Secretary in/or collaboration with external consultants.
- b) Non-compliance identified by the validation or identified through other risk assessments undertaken shall be reported to the Audit Committee.

18. Continuous improvement

The Group is committed to continually improving its policies and procedures relating to anti-bribery and anti-corruption. Group Corporate & Compliance may therefore endeavour to develop further integrity measures and certify the Group's anti-bribery procedures as adequate where certification is available.

19. Sanction for non-compliance

- a) The Group regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and 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 noncompliance.
- b) The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.

- c) Where notification to the relevant regulatory authorities have been done, the Group shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Employees.

20. Waiver

Any deviation or waiver from this policy must be approved either by the Governance and Audit Committee or Board of Directors.

- End of Policy -

**Approved by the Board of MIECO
on 21 May 2020.**