

MALAYSIA STEEL WORKS (KL) BHD
ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. Introduction

- 1.1 This Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**" and/or "**this Policy**") has been developed as part of Malaysia Steel Works (KL) Berhad's ("**MASTEEL**") Anti-Bribery and Anti-Corruption programme. This Policy applies to:-
- MASTEEL and its group of companies ("**the Group**") and all of its Directors, Personnel and Intermediaries;
 - the Group's business dealings with private and public sector entities, including their Directors, Personnel and Intermediaries; and
 - all the jurisdictions in which the Group operates.
- 1.2 MASTEEL does not condone Bribery and Corruption and expects its personnel to strictly adhere to the same principles in their business conduct on behalf or with MASTEEL.
- 1.3 This Policy should be read together with MASTEEL's Code of Conduct, Code of Ethics and Whistleblowing Policy and the Malaysia Anti-Corruption Commission Act 2009, and in the event a law is deemed contradictory to this Policy, the law takes precedence and is to be complied with.

2. Definitions

- 2.1 "Bribery and Corruption" refers to the use of position of trust for dishonest gain, through the act of giving, soliciting, accepting or receiving gratification, privilege and/or preferential treatment, directly or indirectly, to or from a person in authority either in the form of money, services or valuable goods as an inducement or reward in an attempt to influence decisions or actions of a person in a position in the Group, with an intent (a) to obtain or retain business for the Group; or (b) to obtain or retain an advantage in the conduct of business for the Group.
- 2.2 "Donation" refers to charitable contributions made in cash or in kind to support the community.
- 2.3 "Gratification" may come in the form of money, donation, gift, loan, fee, reward, valuable security, favour, property or interest in property of any description whether movable or immovable, or any other similar advantage, as defined under the MACC Act.
- 2.4 "GEHTDS" collectively refers to Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship.
- 2.5 "Business Associates" refers to an external party with whom the Group has, or plans to establish some form of business relationship which may include but not limited to customers, joint venture partners, consultants, contractors, subcontractors, suppliers, agents and etc.
- 2.6 "Employee", "Personnel" or, "You" refers to any individual who is currently in the employment of MASTEEL including but not limited to permanent, part time or contractual employees, directors (executives, non-executives), as well as parties transacting with or on behalf of MASTEEL
- 2.7 "MD/CEO" refers to Managing Director/Chief Executive Officer.

- 2.8 “MACC Act” refers to the Malaysia Anti-Corruption Commission Act 2009 and any statutory modification, amendment or re-enactment thereof for the time being in force.
- 2.9 “Officers” refers to all Directors, Management and Employees of the Group.
- 2.10 “Sponsorship” refers to the provision of financial support to sports, arts, entertainment or other causes for business objectives and usually for brand or reputation management purposes.

3. MASTEEL’s Commitment

- 3.1 MASTEEL is committed to conduct its business in an honest and ethical manner.
- 3.2 MASTEEL adopts a strict zero-tolerance towards Bribery and Corruption in all forms, such as but not limited to extortion, abuse of power, trading under influence fraud and/or money laundering. Personnel inclining to administer bribes or engage in acts of corruption shall be subject to disciplinary action including termination of employment or service contract.
- 3.3 MASTEEL recognises the compliance of all applicable corruption laws and regulations, including the MACC Act and the Penal Code.
- 3.4 The Group is committed in arranging awareness programmes for all Personnel to refresh awareness in relation to this Policy and to continuously promulgate integrity and ethics and shall provide and/or arrange training in relation to Policy on an annual basis.

4. Stance Against Bribery and Corruption

- 4.1 Under no circumstances must you offer, pay, seek or accept any gratification in return for favourable treatment or business advantage.
- 4.2 For avoidance of doubt, the making of, or participation of, facilitation payments, is strictly prohibited. Facilitation payments are unofficial and improper transfers of value offered or made to secure or expedite a routine or necessary action to which you are otherwise legally entitled.
- 4.3 Bribery and Corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. Masteel Directors, Personnel and its Business Associates 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 of Masteel or the persons involved in the transaction.
- 4.4 You are expected to:
- Be familiarized with the contents of this Policy;
 - To record all transactions of GEHTDS in GEHTDS register once the GEHTDS is received/made;
 - Be alert to any violations and raise any suspicions on violations of this Policy to an immediate supervisor, or through the reporting channel spelt out in the Company’s Whistleblowing Policy; and
 - Attend any training pertaining to the Anti-Bribery and Anti-Corruption programme as required.

5. Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship

- 5.1 All of MASTEEL's employees are expected to be familiarized, and to adhere with the Company's Gift and Business Courtesies and Bribes and Corruption as per outlined in the Company's Code of Conduct paragraph 4.4 & 4.13 respectively.
- 5.2 The Group shall maintain a GEHTDS register to record GEHTDS received or provided for audit purposes. Such register should state the gift's nature, its value, the name of the provider, name of the recipient, reason or occasion for the gift.
- 5.3 All offers and acceptance of GEHTDS involving government officials must be approved by the relevant Head of Department and declared in the register.
- 5.4 The Group must ensure that all Donation and Sponsorship are given through legal and proper channels. Particular care must be taken in ensuring that the charities or sponsored organisations on the receiving end are valid bodies and are able to manage the funds properly. Steps must be taken to ensure that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials nor act as conduit to fund illegal activities in violation of any applicable law. When in doubt, employees can escalate the matter to MD/CEO to determine the authenticity of such requests.
- 5.5 The Group should not solicit any GEHTDS from any Business Associate directly or indirectly. Corporate Gifts and/or Festive Gifts may be given to any Business Associate provided it is made for the right reason, not obligatory, not expecting expectation, made openly, within reasonable value and legal.

6. Conflict of Interests

- 6.1 All of MASTEEL's employees are expected to avoid personal activities and/ or financial interests which could conflict with their responsibilities to MASTEEL.
- 6.2 Directors and Personnel must not use their position, official working hours, the Group's resources and assets for personal gain (including for the benefit of their family or friends) or to the Group's disadvantage.
- 6.3 A conflict of interest is a situation where one or more persons or entities have competing interests and the serving of one interest may involve detriment to another. Failure to identify and appropriately manage conflict of interest could result in inappropriate or adverse consequences for all the parties involved, such as but not limited to reputational damage, regulatory sanctions, and risk of litigation.
- 6.4 You must not let any decisions you make under your employment with MASTEEL be influenced by personal considerations such as but not limited to your personal relationships or external interests.
- 6.5 You must make known and withdraw from any business conduct (permanent employment or otherwise) with MASTEEL that creates an actual, potential or perceived conflict of interest.

7. Business Associate

- 7.1 If suspicion of Bribery and Corruption arises in any collaboration with the Business Associate, the Group shall seek an alternative Business Associate.

- 7.2 The Group shall endeavor to include clauses in contracts which would enable the Group to terminate any contract in which Bribery or Corruption is made suspicious of.
- 7.3 Prior to entering into any formalised relationships and in the event of suspicious behavior, allegations and/or investigations relating to Bribery and Corruption in relation to collaboration with the Group and Business Associate, the Group shall conduct due diligence on any relevant parties which include but not limited to search through relevant database, background checks and conducting interviews to identify relationship and documenting the reasons for choosing one particular Business Associate over another.
- 7.4 All Business Associates are required to adhere to industry best practice and accepted standards of behavior and are required to execute the Declaration Form as set out in Appendix I.

8. Facilitation Payments

- 8.1 The Group adopts a strict stance in disallowing Facilitation Payments.
- 8.2 In the event of an encounter with any requests for a Facilitation Payments, the Personnel are expected to notify the MD/CEO. In the event that such payment has been made and the Personnel are unsure of the nature, the MD/CEO must be immediately notified and consulted. Such occurrence has to be recorded in a register for audit purposes.

9. Non-Compliance

- 9.1 Non-compliance may lead to penalties including immediate termination of your employment/business contract with MASTEEL. Further legal action may also be taken in the event that any such conduct results in the harm or detriment of MASTEEL's interests or reputation.

10. Record Keeping for Managing Documentation

- 10.1 The Group would keep and maintain data, record and documents in accordance with statutory and regulatory requirements. The Group would have appropriate internal controls in place to safe-keep, archival, retrieval, retain and store proper records.
- 10.2 All registers should be recorded in a prompt, accurate and timely manner when the transaction is received/made and in reasonable detail.

11. Whistleblowing Channel

- 11.1 The Group has established a Whistleblowing Policy which details the Group's policies and procedures in relation to disclosure of any known malpractices or wrongdoings occurred in the Group.
- 11.2 The Personnel who encounter actual or suspected violations of this Policy are required to report their concerns. The Personnel are responsible 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.
- 11.3 Reports made in good faith, either anonymously or otherwise, would be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

11.4 Stakeholders who encounter suspected, attempted or actual violations of this policy are encouraged to report such incidents promptly. Such disclosures, including those relating to financial reporting, unethical or illegal conduct, may be reported directly to:

- Head of Internal Audit, [Tel no. 03-77811611 & email address: klfung@masteel.com]
- Audit Committee Chairman, [email address: rthean@hotmail.com]
- Employment-related concerns can be reported to:
 - Head of Human Resources [Tel no. 03-77811611 & email address: smithyong@masteel.com.my]; or
 - the MD/CEO.

Disclosures can be verbal or in writing and forwarded in a sealed envelope to the abovementioned contact person(s) labelling with a legend such as “To be opened by the Audit Committee or Head of Internal Audit only”.

12. Monitoring, Periodic Review and Disclosure

- 12.1 The Board shall conduct a review on the effectiveness of the implementation of this Policy at appropriate intervals, at least once every three (3) years, considering its suitability, adequacy and effectiveness.
- 12.2 The Group’s internal audit function shall conduct regular risk assessments once in every three (3) years, with intermittent assessments conducted when necessary, in relation to Bribery and Corruption.
- 12.3 This Policy should be disclosed on the Group’s website.

13. General

- 13.1 This Policy is broad based and does not cover all possible situations, hence, you should seek assistance or clarification from the MD/CEO when you are unsure whether your action would contravene this Policy.

This ABAC Policy was approved by the Board of Directors on 29 May 2020.

(TO BE EXECUTED ONTO THE LETTERHEAD OF THE BUSINESS ASSOCIATE)

ANTI-BRIBERY AND ANTI-CORRUPTION DECLARATION

Our company, [Company Name of the Business Associate], [Registration Number] (which includes our Directors, Officers and employees) hereby:-

1. PLEDGE, COMMIT AND UNDERTAKE THAT:

- A. We have read and understood, and will comply with:
- (i) All applicable laws and regulations relating to Anti-Bribery, Anti-Corruption and fraud ("**Applicable Laws**"); and
 - (ii) The following anti-corruption principles promoted by the Malaysian Anti-Corruption Commission ("**MACC**"):
 - (a) Committing to promoting values of integrity, transparency and good governance;
 - (b) Strengthening internal systems that support corruption prevention;
 - (c) Comply with rules and regulations relating to fighting corruption;
 - (d) Fighting any form of corrupt practice; and
 - (e) Supporting corruption prevention initiatives by the Malaysian Government, MACC and other authorities within the country jurisdiction we operate.
- to the best of our knowledge (collectively referred to as the "**Provisions**")
- B. We shall not, through any of our representatives, agents or any persons associated to us, commit any corruption offence or breach any of the Applicable Laws and/or the Provisions. We shall not encourage any corruption elements within our business practices, activities, operations and transactions.
- C. We have not been convicted nor are we the subject of any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach of the Applicable Laws and/or the Provisions and will report any actual or suspected breach of the Applicable Laws and/or the Provisions as soon as reasonable practicable and to the extent permitted by Law, to Malaysia Steel Works (KL) Berhad and its subsidiaries (collectively referred to as "**MASTEEL Group**") resulting from any business collaboration.
- D. We have not been and are not listed by any government agency as being debarred, suspended proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or other government contract.
- E. We shall take all measures and implement appropriate measures to ensure compliance with the Applicable Laws and the Provisions.

2. AGREE THAT:

- A. In the event that we are in breach of any of the above sections or the Applicable Laws and/or the Provisions, MASTEEL Group may immediately revoke the contract awarded or terminate the contract in relation to our business transactions without any liability whatsoever on the part of MASTEEL Group. This is without prejudice to any other rights or remedies that MASTEEL Group may have or any other appropriate action which MASTEEL Group may take under the terms of the applicable tender or contract or applicable laws and regulations.
- B. In the event that we are in breach of any of the above sections, the Applicable Laws or the Provisions, we shall indemnify MASTEEL Group against all forms of damages and/or

liabilities, whether criminal or civil, if any legal action was brought against MASTEEL Group in relation to the breach.

- C. Should any person attempt to solicit any bribe or advantage (whether financial or otherwise) from us or any other person connected to us either as an inducement or incentive for us to be selected for a proposed business transaction with MASTEEL Group or as a reward, gift, or bonus or where we have reasonable grounds to suspect any breach of the obligations in this Anti-Bribery and Anti-Corruption Declaration or any Applicable Laws, we will report such act to MASTEEL Group as soon as reasonably practicable.
- D. We are fully informed on the Whistleblowing Policy and the channels which are available to us as an avenue to report any misconducts or incidents in relation to the commercial transaction(s) between MASTEEL Group and us.

Your sincerely

Name of Company Director
IC/Passport
Position/Designation
Company Stamp