

MERCURY INDUSTRIES BERHAD

[198201008273 (105550-K)]

ANTI-BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION

- 1.1 Mercury Industries Berhad (“MIB”) and its subsidiaries (collectively referred to as the “Group”) conduct its business in a legal and ethical manner. The Group requires all employees (including full time, probationary, contract and temporary staff) (“Employees”) and Directors of the Group to be committed to acting professionally and with integrity in their business dealings.
- 1.2 The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. This Anti-Bribery and Corruption Policy (“Policy”) sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. This Policy is supplemental to, and shall be read in conjunction with the Employee Handbook.

2. DEFINITION OF BRIBERY AND CORRUPTION

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages. Corruption is the abuse of entrusted power for private gain.

3. OBJECTIVE

- 3.1 The objective of the Policy is to provide information and guidance to the Directors, Employees and third-party affiliates (“collectively referred to as the “Parties”) on standards of behaviour to which they must adhere to and how to recognise as well as deal with bribery and corruption. Third-party affiliates include but are not limited to current or prospective customers, business partners, contractors, suppliers, consultants, agents, associates or any other business partners.
- 3.2 The Policy is not intended to be exhaustive, and there may be additional obligations that the Parties are expected to adhere to or comply with when performing their duties/obligations. For all intents and purposes, the Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

4. APPLICABILITY OF THE POLICY

- 4.1 The Policy is applicable to all Directors and Employees of the Group. Each Employee has a duty to read and understand the Policy. Violation of any of the Policy's provisions may result in disciplinary action, including termination of employment.
- 4.2 Every Employee has an independent obligation to ensure that any and all interaction with the Group's customers, suppliers, contractors and officer of public body complies with all relevant laws and regulations, including this Policy. All employees are expected to:
- behave honestly and trustworthy;
 - make sure that their behaviour complies with this Policy;
 - not engage in any acts of corruption;
 - not pay or accept bribes;
 - make a clear distinction between the interest of company and private interests; and
 - avoid possible conflict (including accepting gifts, invitations or other advantages conflicting with this principle).
- 4.3 The Audit Committee ("AC") is responsible for implementing and enforcing this Policy. This includes ensuring that all relevant parties are informed about this Policy.
- 4.4 If a Director requires further clarification on the Policy, the Director may liaise with the AC whereas for an Employee, the Employee may refer or highlight any concerns to his/her immediate superior, Head of Department. In the event of the subject matter concerned with the immediate superior and/or Head of Department, the Employee shall refer to the AC directly.

5. GUIDANCE ON COMMON FORMS OF BRIBERY AND CORRUPTION

5.1 Gifts and Hospitality

- 5.1.1 This Policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest and bona fide corporate hospitality. Some examples of acceptable gifts and/or benefits are as follows: -
- (a) token gifts offered in business situations or to all participants and attendees for example, work related seminars, conferences, trade and business events;
 - (b) gifts presented at work-related conferences, seminars and/or business events;
 - (c) gifts given in gratitude for hosting business events, conferences and/or seminars;
 - (d) refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
 - (e) meals for business purposes.
- 5.1.2 As a general principle, the Directors and Employees should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits. In addition, lavish or unreasonable gifts or hospitality should not be accepted as such gifts or

hospitality may be perceived or interpreted as attempts by the Directors or Employees to obtain or receive favourable business treatment for personal benefits.

5.1.3 The Directors and Employees should be mindful in giving or receiving gifts or hospitality as it could be perceived as a way of improperly influencing the decision making of the recipient. Hence, the intention behind the gifts or hospitality should always be considered.

5.2 Facilitation Payments to Officer of Public Body^{N1}

5.2.1 Facilitation payments are unofficial payments or other advantages made to secure or expedite the performance of a routine action by an officer of public body. Directors or Employees shall not promise or offer, or agree to give or offer, facilitation payments to an officer of any public body.

5.2.2 However, there could arise circumstances in which the Directors or Employees have no alternative but to make a facilitation payment in order to protect themselves from injury, loss of life or liberty. Any facilitation payment made under such circumstances should be reported immediately to the immediate superior or Head of Department. Making facilitation payment in such circumstances is the only exception which can be used as a defence when faced with allegations of bribery and corruption.

N1: Public body as defined in Section 3 of Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009")

5.3 Third Parties and Agencies

All third parties, including agents, suppliers and joint venture partners should be made aware of this Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

5.4 Political Contribution

Subject to any prevailing law that govern political contribution, the Group may make contribution to political parties. All political contributions require prior approval from the Head of Department and the Group Managing Director. The records of all political contributions shall be kept by the Finance Department.

However, the Group prohibits financial support to individual politicians which may be perceived as an attempt to gain an improper business advantage.

5.5 Charitable Contribution

Charitable support and donations to legitimate charities for proper charitable purposes are acceptable (and indeed are encouraged), whether of kind services, knowledge, time, or direct financial contributions. However, Directors and Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the Head of Department

and the Group Managing Director. The records of all charitable contributions shall be kept by the Finance Department.

6. **Record-keeping**

- 6.1 It is important that proper and complete records be maintained of all payments made to third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with accuracy and completeness.
- 6.2 Employees must declare all hospitality or gifts accepted or offered, and submit details to the Human Resource Department for recording into a register which will subject to review by the Group Managing Director. Employees must also ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are approved by the Head of Department and must be specifically recorded the reason for such expenditure.

7. **Compliance to The Law**

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the MACC Act 2009 (including any amendment thereof). The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

8. **Reporting of Violation of The Policy**

Any Employee who knows of, or suspects, a violation of the Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the Group's Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violation of the Policy are available on the MIB website.

9. **Protection**

- 9.1 Any Employee who refuses to accept or offer a bribe or report a concern relating to potential act(s) of bribery or corruption, the Group understands that you may feel worried about potential repercussions. The Group will support anyone who raises concerns in good faith under this Policy, even if investigation find that he/she was mistaken. No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.
- 9.2 The Group will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.

- 9.3 Detrimental treatment refers to dismissal, disciplinary action or unfavourable treatment in relation to the concern the individual raised.
- 9.4 If you have reason to believe you have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform your immediate superior or Head of Department or the AC (as the case maybe) immediately.

10. **Training and Communication**

- 10.1 The AC will provide training on this Policy as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this Policy, and will be asked annually to formally accept in writing that they will comply with this Policy.
- 10.2 The Group's Anti-bribery & Corruption Policy and zero tolerance attitude will be clearly communicated to all suppliers, contractors, business partners and any third parties at the outset of business relations, and as appropriate thereafter.
- 10.3 The AC will provide relevant anti-bribery and corruption training to Employees, etc., where they feel their knowledge of how to comply with the MACC Act 2009 on anti-bribery and corruption needs to be enhanced. As good practice, all businesses in the Group shall provide their Employees with anti-bribery training where there is a potential risk of facing bribery or corruption during work activities.

11. **Review of The Policy**

The Board and the AC will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.

This policy is approved by the Board of Directors on 27 May 2020.