

**ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

**1. Introduction**

The Boilermech Holdings Berhad (“Boilermech” or the “Company”) and its subsidiaries (“Boilermech Group” or the “Group”) holds integrity as one of the most important values in the Group’s businesses. The Group is committed to conducting business with high standards of integrity, as well as lawfully and ethically.

Boilermech Group has established this **Anti-Bribery and Anti-Corruption Policy** (this “Policy”) to set out the Group’s expectations for internal and external parties working with and for the Group in upholding the Group’s commitment and stance against bribery and corruption.

This Policy shall form the keystone for the Group’s Anti-Bribery and Anti-Corruption Framework and the relevant policies that constitute the Anti-Bribery and Anti-Corruption Framework.

**2. Scope**

This Policy is generally applicable to the Group’s Directors, Employees, suppliers, and Business Associates unless otherwise stated in the specific policies referred to in this Policy.

This Policy shall be applicable to all countries in which the Group has business activities.

**3. What is Bribery?**

“Bribery” refers to the act of corruptly giving, agreeing to give, authorising, promising, offering, soliciting, receiving, or agreeing to receive any gratification as an inducement or a reward for an improper performance of a party. Gratification can take various forms, including monetary, non-monetary, services, favours, or any form of benefit or advantage.

- A gratification that is given or received with corrupt intent, either as:
  - an inducement to gain or provide an undue advantage; or
  - a reward for having gained or provided an undue advantage;is considered a bribe.
- A gratification that is given or received with a corrupt intent to influence the intended recipient’s judgement, views, or conduct, is considered a bribe.
- A gratification that is given or received with corrupt intent, including to induce or reward the improper performance of a party, or to obtain or retain a business advantage, is considered a bribe.

The Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”) prohibits a person or a commercial organisation from giving and receiving bribes, including via agents or persons associated (which include companies) with the commercial organisation. Refer to **Section 16**, **Section 17**, and **Section 17A** of the *MACC Act 2009*.

#### 4. Our Anti-Bribery Stance

- I. Boilermech Group is committed to complying with the anti-bribery legislation applicable to its operations and will not pay bribes to anyone for any purpose.
- II. The Group takes the upholding of its anti-bribery stance across the Group's businesses seriously and expects the same from stakeholders internal and external to the Group's businesses, across all the Group's business dealings and transactions in all countries in which it operates.
- III. Directors, Employees, suppliers, and Business Associates shall adhere to and observe the Group's anti-bribery stance and relevant anti-bribery-related policies of the Group.
- IV. The Group treats any violation of this Policy seriously and will undertake necessary actions, including, but not limited to, a review of employment, appointment, or business arrangements which may lead to disciplinary actions, dismissal, cessation of business relationship, and/or reporting to the authorities, consistent with relevant laws and regulations.

#### 5. Definitions

The following definitions and interpretations shall apply to this Policy:

- "Associated Person" in relation to a commercial organisation refers to a director, partner, or an employee of the commercial organisation or a person (legal person, which includes a company) who performs services for or on behalf of the commercial organisation;
- "Authority" refers to auditors, regulators, and government departments, agencies and authorities;
- "bribery" refers to the act of corruptly authorising, giving, agreeing to give, promising, offering, soliciting, receiving, or agreeing to receive any gratification;
- the "Board" refers to the Board of Directors of Boilermech;
- "Boilermech" refers to Boilermech Holdings Berhad;
- "Boilermech Group" or the "Group" refers to Boilermech and its subsidiaries;
- "Business Associates" include the Group's joint-venture entities, joint-venture partners, associate companies, business partners, as well as Service Providers;

Note: An associate company refers to a company:

- (a) of which the Group is in charge or in control of its business or affairs; or
  - (b) in which the Group has controlling interest or shares of 30% or more of the total issued capital.
- "business counterparties" include external parties who deal with the Group in relation to its businesses and operations, including suppliers, customers, auditors, and authorities;
  - "commercial organisation" shall have the meaning as defined in Section 17A(8) of MACC Act 2009, i.e.:

- (a) a company incorporated under the Companies Act 2016 [Act 777] and carries on a business in Malaysia or elsewhere;
  - (b) a company wherever incorporated and carries on a business or part of a business in Malaysia;
  - (c) a partnership –
    - (i) under the Partnership Act 1961 [Act 135] and carries on a business in Malaysia or elsewhere; or
    - (ii) which is a limited liability partnership registered under the Limited Liability Partnerships Act 2012 [Act 743] and carries on a business in Malaysia or elsewhere;
  - (d) a partnership wherever formed and carries on a business or part of a business in Malaysia;
- "Employees" include full-time, part-time, probationary, contract and temporary employees of the Group;
  - "facilitation payments" shall have the definition consistent with that provided by Transparency International, which is: a small bribe, also called a 'facilitating', 'speed', or 'grease' payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement;
  - "Foreign Public Official" shall have the definition as provided in the MACC Act 2009.
  - "gratification" shall have the meaning as defined in the MACC Act 2009, i.e.:
    - (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);

- "Officer of a Public Body" shall have the definition as provided in the MACC Act 2009; and
- "Service Providers" include the Group's contractors, sub-contractors, consultants, distributors, agents, representatives, or any parties performing work or services for or on behalf of the Group;
- where this Policy refer to the "Managing Director" and the "Executive Director" it refers to the Managing Director and Executive Director of Boilermach Holdings Berhad, respectively;
- where this Policy refers to the act of "giving" or "paying" a bribe it also refers to actions amounting to the act of agreeing to give, promising, or offering a bribe; and
- where this Policy refers to the act of "receiving" a bribe it also refers to actions amounting to the act of soliciting or agreeing to receive a bribe.

## **6. Bribing of an Officer of a Public Body or a Foreign Public Official**

The bribing of an Officer of a Public Body or a Foreign Public Official is an offence under the MACC Act 2009 and is likely to be an offence under the local laws of the Group's countries of operations. Directors, Employees, suppliers, and Business Associates of the Group who has dealings with any Officer of a Public Body or Foreign Public Official shall exercise extra care to not engage, directly or through a third party, in any activity or transaction that may constitute, or perceived to constitute, an attempt to bribe an Officer of a Public Body or Foreign Public Official.

## **7. Facilitation payments**

Boilermach Group, its Directors, Employees, suppliers, and Business Associates are prohibited from giving or receiving facilitation payments, either directly or through a third party. Facilitation payments include unofficial and improper payments or benefits, which could also be in the form of gifts or entertainment, provided to secure or expedite a routine or necessary action to which the Group is legally entitled.

## **8. Gifts and Hospitality**

Gifts, entertainment, or hospitality which may influence, or be perceived to be able to influence, any business decisions or outcomes may be construed as a bribe. Directors, Employees, suppliers, and Business Associates of the Group must not give or receive any gift, entertainment, or hospitality which may be construed as a bribe.

The Group's business dealings, such as purchase orders, sales, and contracts, shall be conducted on the basis of business merits, such as price competitiveness, quality of goods and services, and track record.

The Group has established internal policies and limits governing the use of gifts, entertainment, and hospitality within the Group's businesses and operations.

## **9. Third-Party Travel**

Third-Party Travel refers to travelling-related expenditures, such as travel tickets, meals, or accommodations, incurred for legitimate business activities, such as an audit or factory visit, which are provided for a business counterpart by the Group, or vice versa.

Non-business-related travel is not considered as a Third-Party Travel and the Group does not provide any non-business-related travel to business counterparties. Similarly, Directors and Employees are prohibited from receiving non-business-related travel.

The Group does not pay for inappropriate, excessive, or unnecessary Third-Party Travel as they pose a bribery risk, especially when it relates to a material business interest or decision. Likewise, the Group's Directors and Employees are prohibited from receiving inappropriate, excessive, or unnecessary Third-Party Travel.

The Group has established internal policies governing the use of Third-Party Travel within the Group's businesses and operations.

## **10. Donations and Sponsorships**

Charitable contributions or donations made by Boilermech Group are philanthropic in nature and must never be made with the intention to, or be perceived to be able to, influence any business decisions or outcomes. On the other hand, while sponsorships may be a common business activity carried out to promote business reputation, brand or products and services, if carried out inappropriately, a sponsorship may create a conflict of interest situation and may also be construed as a bribe.

The Group has no political affiliations and it shall not make any political contribution or donations to, or sponsor any events of, political parties. Whilst Directors and Employees are not prohibited to make personal political contributions or donations to political parties, the said contributions or donations shall never be associated with the Group and must always be made under the Director or Employee's individual capacity, as the case may be.

When assessing whether a donation or sponsorship is to be made, the Group considers various aspects such as the objectives of the donation or sponsorship, the background of the intended recipient, and if there are any conflict of interest situations.

The Group has established internal policies governing the making of donations and sponsorships by the Group.

## **11. Business Incentives**

Various business incentives may be used as promotional and marketing tools, including rewards, rebates, discounts, or referral fees. However, business incentives may constitute a bribe if they are improper or inappropriate.

The Group has established internal policies governing the use of business incentives in the Group's businesses.

## **12. Business Dealings with Integrity**

Boilermech Group believes in conducting business with its business counterparties and business partners, including Directors, Employees, suppliers, customers, and Business Associates, who uphold the same values and standards of business ethics and integrity as the Group.

Boilermech Group has established internal procedures which require due diligence checks to be performed on business counterparties and business partners before appointment or engagement or entering into a formal business relationship. Any parties, including Directors, Employees,

suppliers, and Business Associates intending to conduct business with the Group is expected to adhere to the Group's due diligence internal procedures.

Suppliers and Business Associates of the Group are strongly encouraged to have in place adequate procedures to prevent the conduct of bribery activities in doing business, especially when performing work or service on behalf of Boilermech Group.

### **13. Reporting and Recording**

Proper, accurate, and complete records and documentation of all transactions made by the Group and in relation to the businesses and operations of the Group shall be maintained as these would serve as evidence that the transactions made were bona fide, and were not made with a corrupt or unethical intent.

All accounts, invoices, documents, and records shall be prepared and maintained with accuracy and completeness.

### **14. Compliance and Support**

Compliance with this Policy and the applicable policies referred to in this Policy by the Group, its Directors, Employees, suppliers, and Business Associates is mandatory. Any violation of this Policy and the applicable policies referred to in this Policy will be dealt with seriously by the Group, including, but not limited to, a review of employment, appointment, or business arrangements which may lead to disciplinary actions, dismissal, cessation of business relationship, and/or reporting to the authorities, consistent with relevant laws and regulations.

Directors, Employees, suppliers, and Business Associates of the Group are expected to refuse to give or receive a bribe when solicited or offered one. The Group is committed to ensuring that no one suffers any detrimental treatment by the Group or its personnel for refusing to give or accept a bribe.

Directors, Employees, suppliers, or Business Associates with any concerns or queries or requiring support and advice pertaining to compliance with this Policy and the applicable policies referred to in this Policy shall consult with their respective internal reporting lines or liaisons within the Group.

### **15. Reporting of Violation of this Policy**

Any person, including the general public, who knows of, or suspects of, a violation or potential violation of this Policy and the applicable policies referred to in this Policy is encouraged to report the concerns through the whistleblowing mechanism set out under the Group's **Whistleblower Policy**, which is available on Boilermech's corporate website.

No individual will be discriminated against or suffer any sort of retaliation by the Group or its personnel for raising genuine concerns or reporting in good faith on violations, potential violations, or suspected violations of this Policy and the applicable policies referred to in this Policy. All reports will be treated confidentially.

### **16. Review of this Policy**

This Policy is approved by the Board of Boilermech on 22 May 2020.

It shall be reviewed by the Group periodically and at least once in three years.