

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY



1. INTRODUCTION

Axteria Group Berhad and its subsidiaries (collectively referred to as “Axteria Group” or “The Group”) are committed to conducting business with integrity and accountability. Axteria Group strictly prohibits all forms of bribery and corruption in its operations and decisions, both internally and externally. To ensure compliance with anti-bribery and anti-corruption laws, Axteria Group has developed this Anti-Bribery and Anti-Corruption Policy (“Policy”), aiming to promote the growth of Axteria Group’s business activities free from corrupt practices.

Section 17A (1) of the MACC (Amendment) Act 2018 (“MACC Act 2018”) addresses corporate liability for corruption, holding the directors and senior management personally liable for acts of corruption committed by the organisation, whether by its personnel or parties acting on its behalf. Penalties include fines up to RM1 million and/or prison sentences of up to 20 years. However, Section 17A provides a defence for the organisation if it can demonstrate that it had “adequate procedures” in place to prevent such conduct.

In view of the above, the Group must proactively implement adequate procedures and guidelines to serve as a defence in the event of proven corruption by persons associated with the Group.

2. OBJECTIVE

The Group acknowledges the significance of ethical values in achieving sustainable business growth. By establishing appropriate policies and procedures, the Group aims to prevent corrupt practices and enhance its reputation globally.

This Policy provides guidelines and information on combating bribery and corruption in business operations. Employees should consult their immediate supervisor, Head of Department (HOD), Human Resource Department (HRD), or the senior management if they are uncertain about the scope of applicable laws, the application of this Policy, or potential conflicts.

3. SCOPE & INTENDED AUDIENCE

This Policy serves as the Group’s foundational document on anti-corruption compliance. It establishes core principles to guide ethical conduct for employees and third parties. However, it is not intended to be an exhaustive code of conduct.

This Policy supplements relevant policies of Axteria Group and should be read in conjunction with other internal policies and documents, both current and future, on matters relating to anti-corruption compliance as necessary to ensure adherence and compliance with the applicable laws and regulations.

This Policy applies to all directors, officers and employees of all levels and employment type, including permanent, part-time, contract, interns, and trainees of the Group (collectively referred to as “Axteria Group’s Personnel”).

The Policy also extends to any third party (both person or corporate entity) with whom Axteria Group engages in, or anticipates engaging in, a business relationship. This encompasses a broad range of parties performing services for or on behalf of the Group, including existing and potential customers, joint ventures, contractors, consultants, suppliers, vendors, agents, representatives, intermediaries, legal advisors, service providers, and investors (collectively referred to as “Axteria Group’s Business Associates”).

4. REVIEWS AND NOTICES

To maintain best practices, this Policy shall be reviewed periodically as deemed necessary or as requested by the management.

This Policy is circulated to all directors and employees of Axteria. An electronic version of this Policy will also be available on the Group’s website and communication platform.

In the event of a conflict between this Policy and other policies of the Group, Axteria Group’s Personnel and Axteria Group’s Business Associates must adhere to the more restrictive policy or procedure. If a rule or policy in this Policy conflicts with applicable law, the law will prevail.

5. POLICIES AND PRACTICAL MEASURES

This section will be based on the Ministerial Guidelines on Adequate Procedures issued pursuant to subsection (5) of section 17A under the MACC Act 2018 (“MACC Guidelines”). The MACC Guidelines laid out the principles through the acronym “T.R.U.S.T.” that can be applied by corporations to try to ensure that they have a defense in the event an offence is committed.

A. T - TOP LEVEL COMMITMENT

General

- The Group's Management must through its conduct set a standard of ethical behavior and, by their personal example, form an uncompromising attitude among the employees and third parties of the Group to any forms of corruption.
- The Management will make every effort towards adopting ethical values in practicing business that is based on the core value of ‘Uprightness,’ “Integrity” and “Reliability” whereby the Group lay emphasis on the importance of a company culture and everyday business practices that is based on transparency and fairness within the Group.
- The Management is committed to ensure that the Group is operating in full compliance with its policies and any applicable regulatory requirements by establishing, maintaining, and periodically reviewing an anti-corruption compliance program which includes clear policies and objectives that

adequately address corruption risks.

- The Management assures its internal and external stakeholders that all forms of bribery or corruption are prohibited within the Group and will not be tolerated. By participating in bribery and corrupt practices, the employees and Management of Axteria Group can be subject to severe consequences. Disciplinary and/or legal actions deemed appropriate by the Group may be exercised.

Whistleblowing

- The Management strongly advocate in the concept of transparency on our business transactions and activities to achieve a high level of integrity in Axteria Group. Therefore, the Management highly encourages directors and employees to raise any concerns of any incidents of bribery, fraud and corruption or inadequacies in the anti- corruption compliance program within the Group to the reporting manager or respective HOD.
- Axteria Group will provide an accessible and confidential trusted reporting channel for all employees and members of the public through a few modes of communication; i.e. personal meeting or reporting via telephone, post, or email, to raise concerns about any suspected and/or known improper conduct that they may observe occurring within the Group. All reported concerns will be treated confidentially and are to be kept protected against any unauthorised use and access, except where it is permitted under applicable laws.

B. R - RISK ASSESSMENT

- The Management will ensure that a comprehensive risk assessment is done every three (3) years, with intermittent assessments conducted when necessary. The risk assessments will be conducted to identify and address potential risks the business is exposed to and to mitigate these risks.

C. U - UNDERTAKE CONTROL MEASURES

General

- The Management shall put in place the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of the organisation, to address any corruption risks arising from weaknesses in the Group's governance framework, processes, and procedures.

Due Diligence

- All employees must ensure that all business dealings and practices within the Group are carried out consistently with the applicable policies, and in compliance with the applicable laws and regulations relating to bribery, corruption, and fraud.

- The Group will adopt a due diligence review checklist and to be updated in line with latest authority requirements and guidelines, and market/industry information/outlook.
- Axteria Group expects its employees to use good judgment and common sense in evaluating the integrity and ethical business practices and therefore, has provided the following key considerations or criteria for conducting due diligence on any relevant parties or personnel as a guideline: -

i) Third Parties' Dealings

Axteria Group expects all third parties acting for or on its behalf to have an acceptable standard of integrity in the conduct of their business. They must take practical measures to prevent corrupt practices in their dealings with the Group as their actions could affect the Group legally and tarnish the Group's reputation.

It is the responsibility of employees within the Group to undertake appropriate due diligence to assess the integrity of the prospective business partners.

To ensure the appointment of any third parties are in line with this Policy, employees within the Group shall:

- undertake appropriate due diligence of third parties before they are registered with Axteria Group. Third parties known or reasonably suspected of corrupt practices or bribery should be avoided;
- monitor the performance of contractors and vendors periodically to ensure ongoing compliance.

In the event that any third parties commit bribery or attempt to commit bribery, or act in a manner which is inconsistent with this Policy, Axteria Group reserves the right to terminate their services.

ii) Employment

Axteria Group will conduct proper background checks to ensure that the potential employee has not been convicted in any corruption, bribery and/or fraud cases. More detailed background checks shall be taken when hiring employees for top level management positions.

For illustration:

- HRD will conduct interview with, perform a thorough background checks on the person if necessary and verify relevant documents with the person to be appointed to a key role before offering employment.
- The Group shall conduct due diligence on the external business partners prior to releasing the fund through a formal due diligence process.

iii) Dealing with Government or Public Bodies

Caution must be exercised at all times when dealing with public officials in any of the Group's business transactions as it is an offence for a public official to obtain any gift from any person involved in any business transaction with him/her. Offering a gratification by corrupt or illegal means to exert influence on a public official is also an offence.

iv) Facilitation Payment

Facilitation payment is a form of gratification under the MACC Act, and therefore is an offense. Employees shall raise any suspicions, concerns or questions regarding any payment made on behalf of the Group or improper business practices to the reporting manager, respective HOD or the Management of the Group.

Conflict of Interest

- Conflicts of interest may arise when an individual or organization is involved in multiple interests, one of which could possibly corrupt, or be perceived to corrupt or have personal interests, whether it benefits themselves or their closely related person, relatives, or close associates, which competes or in conflicts with the interest of Axteria Group. A conflict of interest may be actual, potential and/or perceived and may be financial and/or non-financial.
- It is the responsibility of Axteria Group and Axteria Group's Personnel and/or Axteria's Business Associates, that any ethical, legal, financial and/or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to Axteria Group.
- Axteria Group requires all Axteria Group's Personnel and/or Axteria's Business Associates to :-
 - Avoid any situation and/or activity that compromises, or may compromise, their judgement and / or ability to act in the best interest of Axteria Group.
 - Avoid being in a position where their personal interests are in conflict (or could be in conflict) with the interests and/or business of Axteria Group.
 - Avoid engaging in activities that will bring direct and/or indirect profit, commercial and/or business advantages to Axteria Group's competitor.
 - Avoid acting in ways that may compromise Axteria Group's legality.
 - Declare their conflict of interest, both on a scheduled basis and/or ad hoc basis as soon as they arise.
 - Obtain written approval from the appropriate heads and/or authorities and/or management before undertaking any activities which may give rise

to a conflict of interest.

- Axteria Group requires all Axteria Group's Personnel to promptly disclose to the company material information regarding any relationship, ownership, or business interest (other than non-controlling Investments in publicly traded corporations), whether direct or indirect, that Axteria Group's Personnel or a member of the personnel's immediate family has with any person, or in any business or enterprise that :-
 - a) Competes with Axteria Group ; or
 - b) Purchases or sells, or seeks to purchase or sell, goods or services to or from Axteria Group.
- Axteria Group requires all Axteria Group's Personnel and/or Axteria Group's Business Associates to execute the relevant Conflict of Interest Declaration Form on a scheduled basis or ad hoc basis as and when the need arise.

Gifts/Benefits and Hospitality

- Axteria Group implements a strict policy on receiving and giving excessive or inappropriate gifts/benefits and acts of hospitality to or from third parties.
- As a general guide, directors and employees shall decline excessive or inappropriate gifts or acts of hospitality that may place them in conflict of interest; influence business decisions on behalf of the company; create an impression that the company is trying to obtain favorable business advantage/treatment; or likely to compromise personal or professional integrity.
- If in doubt whether it is appropriate to receive any gifts or hospitality offered, directors and employees shall consult the respective HOD for advice.
- For the avoidance of doubts: -
 - Gifts: Any gifts on account of celebrations, gift during festive seasons, occasional business meals or gifts at corporate social events, which are not excessive and do not in any way influence the business decisions, are allowed.
 - Hospitality: Acts of hospitality offered to or received from customers and parties as part of business networking are acceptable and allowed, if they are appropriate and not excessive, with legitimate business purpose, and not affect or be perceived as affecting business judgment.

Anti-Money Laundering Act ("AMLA")

- Appropriate checks as required for the prevention of money laundering and terrorism financing are carried out by relevant departments of respective companies within Axteria Group.

Political Contribution

- Axteria Group does not make contribution to political candidates or parties.

Policies and Procedures

- The Group is committed to continually improving the policies and main processes of the Group's business operations to be in line with regulatory and operational requirements.

D. S - SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

General

- Regular reviews by top level Management are necessary to monitor the efficiency and effectiveness of an established anti-corruption policy. Not only will these reviews help to improve the Policy but also ensure that there is proper enforcement. Compliance to the Policy is reviewed and revised as required to assist the Management in identifying and mitigating possible risks to maintain a positive reputation of Axteria Group.
- The Management shall also consider an external audit by a qualified and independent third party at least once every three (3) years to obtain assurance that the Group is operating in compliance with its policies and procedures in relation to corruption.

Audit and Risk Management Committee

- The Management proposes the establishment of a central committee, whereby it will play an independent role in ensuring that the operations of Axteria Group are conducted consistent with the established policies, procedures, and regulatory requirements. The committee shall evaluate and improve the effectiveness of governance, risk management and internal controls in carrying out its role with a risk-based audit approach. A strategic audit plan is developed for a 3-year audit cycle and the final audit reports are presented and deliberated by the Board of Directors for review and approval.
- Appropriate department of the respective companies within the Group shall identify and assess possible risks and work together with the central committee to mitigate risks whenever possible. The appropriate department at subsidiary level conducts regular meetings to oversee and review the risk management process as well as to ensure that the risks are managed in accordance with the Group's risk strategy and appetite.
- In addition, key areas of risks which have been discussed during department meetings of respective companies within the Group may be recorded and reported to the committee and be deliberated at the committee meetings. The committee's discussions on these minutes and risk reports may also be recorded and forwarded to the Board of Directors.

Continued Assessment of Third Parties

- Continued assessment is carried out by those departments involved in appointing third parties for their goods/services to ensure:
 - Third parties are appointed based on merits, qualification, and experience for the required goods/services.
 - Scope of appointment are carried out accordingly.
 - Third parties' performance/delivery have been satisfactory and may be considered for future appointment/project.
- The completed assessments will be reviewed by the Management.

E. T - TRAINING AND COMMUNICATION

Training

- Training, both internal and external, on the understanding and importance of preventing bribery, fraud and corruption practices within the Axteria Group is developed and disseminated for all levels, including new recruits and the Management. Proper trainings and awareness programs are arranged to refresh awareness of anti-corruption measures within the Group.
- Specific tailored training conducted for employees in particular roles shall be provided by the Group.

Communication

- Efforts by the Management in combating corrupt practices shall be properly communicated to the rest of the organization within the Group.
- Communications should include both: (i) internal communications focusing on implementation of policies and procedures and the establishment of a means for employees and third parties to raise bribery concerns; and (ii) external communications such as a code of conduct provided to associated persons and, if appropriate and proportionate, to the public.
- The Management shall establish an internal communication platform for all employees of the Group. All Axteria Group's internal policies and guidelines as well as this Policy will be made available on the Group's communication platform. All new employees must be made aware of all policies and guidelines of the Group.

6. RECORD KEEPING

Adequate and relevant record shall be maintained for five (5) years by the relevant employees/department to ensure that the transactions are executed in accordance with appropriate authorization. Invoices, memos and other supporting documents and records relating to dealings with third parties should be prepared and maintained with accuracy and completeness.

7. WARNING SIGNS

All employees should be alert to any signs that may raise a suspicion of corrupt activity and must report to the immediate supervisor/HOD/HRD if any of the signs is encountered.

The following non-exhaustive list of “warning signs” is to assist employees within the Group to identify a possible existence of corrupt practices;

- (i) Third party refuses to provide adequate information during due diligence process and requests sudden additional fee or commission to "facilitate" a service.
- (ii) Not following established policies or procedures – abusing and trying to influence the decision-making process.
- (iii) Payments to be made or requested to be made through third party account, or to a country/ location different from where the third party resides or conduct business.
- (iv) Sudden additional fee or commission to “facilitate” a service from any of the Group’s third parties.
- (v) Invoices rendered or paid in excess of contractual amounts by any of the Group’s third parties.
- (vi) Request of excessive and inappropriate gifts or act of hospitality prior to commencing or continuing contractual or provision of services.
- (vii) A third-party request that a payment is made to "bypass" potential legal violations.
- (viii) A third party engages in, or has been accused of engaging in, improper business practices.

8. REPORTING AND INVESTIGATION

- Any corruption that is detected or suspected must be reported to the appropriate HOD/HRD/Management. Alternatively, the issue may be reported to the following confidential channel:
 - (i) by email to: leethinng@agb.my
 - (ii) by post marked “Private & Confidential” to Chairperson of the Audit and Risk Management Committee, of Axteria Group Berhad, L2-01, Wisma Teras Eco, No. 56, Jalan Setia Tropika 1/14, Taman Setia Tropika, 81200 Johor Bahru, Johor
- The investigation shall be carried out by the appropriate department or other designated independent supervisory function as directed by the Management. The Management shall update the Board of Directors on reports that require their attention and approval.

- Investigation status/results must not be disclosed or discussed with anyone other than those who have a legitimate need to know.

9. INFORMING ABOUT VIOLATIONS

- All information received under this Policy shall be treated anonymously and with confidence. The Group undertake that all information on the identity of the individual who reports fraudulent activities will not be released without prior consent of the individual.
- The Group shall undertake to ensure the protection of employees, within limits of its powers, who have reported in good faith a breach or suspicion of a breach of the measures of this Policy and/or applicable anti-corruption laws from persecution or any other form of discrimination on the part of the party in relation to whom the report was made.
- In addition, the Group assures that none of its employees will be held responsible (by being dismissed, demoted, deprived of a bonus, etc.) by the Group if the employee reported the suspected corruption in good faith, or if the employee refused to give or take a bribe or render mediation in acts of bribery, including if such refusal results in foregone profit for the Group, or no commercial or competitive advantages were gained. Retaliation may result in disciplinary action up to and including termination.
- The Group's assurance of refusal to hold employees accountable will not extend to employees who have been found guilty, nor to cases when an internal investigation proves that the report in question was deliberately false, or constituted perjury or libel.

10. EXCEPTIONS AND MODIFICATIONS

Where an exception or modification to the procedures and guidelines set out in the Policy is required, a request must be made in good faith and submitted in writing to the superior or person in-charge.

Appendix I

**AXTERIA GROUP OF COMPANIES (“AXTERIA GROUP”) THIRD PARTY
DECLARATION FORM
ACKNOWLEDGEMENT OF ANTI-BRIBERY AND CORRUPTION POLICY**

We, _____, hereby declare that we have read and understood Axteria Group’s Anti-Bribery & Anti-Corruption Policy (“Policy”), issued in compliance with provisions of Section 17A of the MACC (Amendment) Act 2018, and the responsibilities required of us under the said Policy.

We are fully aware that Axteria Group is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates to counter bribery and corruption. As such, we shall not offer, give, solicit, or accept any bribe or form of bribe during our engagement or engage in any transaction that contravene the Malaysian Anti-Corruption Commission Act 2009, any applicable anti-bribery or anti-corruption legislation, by-laws, rules, and regulations (“MACC laws”) as may be imposed by the relevant authorities and/or internal policies.

In the event that we are aware or suspect any person in Axteria Group who had/may be in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, we shall inform Axteria Group immediately.

In the event we are in breach of the MACC laws as may be imposed by the relevant authorities and/or internal policies, we understand that Axteria Group shall take the necessary actions against us and we shall fully indemnify Axteria Group against any claims, fines, losses and/or damages suffered by Axteria Group arising from and out of our breach herein.

Name:

NRIC:

Designation:

Date:

Appendix II

**AXTERIA GROUP OF COMPANIES (“AXTERIA GROUP”) STAFF
DECLARATION FORM
ACKNOWLEDGEMENT OF ANTI-BRIBERY AND CORRUPTION POLICY**

I, _____, hereby declare that I have read and understood Axteria Group’s Anti-Bribery & Anti-Corruption Policy (“Policy”), issued in compliance with provisions of Section 17A of the MACC (Amendment) Act 2018, and the responsibilities required of me under the said Policy.

I will abide by the requirements and provisions set out in the said Policy which shall be read together and forms part of my employment contract with Axteria Group.

I agree to Axteria Group’s strict and zero-tolerance approach to bribery and corruption in the operation of its business and the possible actions of:

- a) Dismissal of employment
- b) Legal action by Axteria Group
- c) Filing of a police report by Axteria Group
- d) Filing of a report to MACC by Axteria Group

that may be taken against me for the breach of this Policy.

I also understand that the act of assisting or facilitating the violation of this Policy, whether actively or by way of negligence or omission, will also be deemed to have violated the Policy and may be liable for the actions stated above.

Name:

NRIC:

Designation:

Date: